



OUTER HOUSE, COURT OF SESSION

[2021] CSOH 100

A351/19

OPINION OF LADY WOLFFE

In the Intellectual Property cause

THE TOMATIN DISTILLERY COMPANY LIMITED

Pursuer

against

THE TOMATIN TRADING COMPANY

Defender

**Pursuer: Lake QC, Mitchell, sol adv; Brodies LLP**

**Defender: Tariq, MacRoberts LLP**

6 October 2021

**Introduction**

*The central issue and the parties*

*Trademark dispute*

[1] This case concerns a trade mark dispute in which the pursuer alleges that the defender has contravened its UK trade marks (as after-defined) registered under the Trademarks Act 1994 (“the Act”). What lies at the heart of the dispute is the defender’s proposal to use “Tomatin” in its trading name and in association with its proposed development, near the pursuer’s distillery. The several applications and proceedings related to this dispute are noted below (at para [11]).

*The pursuer*

[2] The pursuer, who was incorporated in 1985, distils, markets and sells “Tomatin” Scotch whisky. It operates the Tomatin distillery in Tomatin, Inverness-shire (“the Distillery”). The Distillery has been in operation since 1897. The pursuer provides distillery tours at the Distillery. It also has a visitor centre at the Distillery (“the Visitor Centre”) which includes a retail offer of Tomatin-branded whisky and other goods, and a small shop and bar area.

*The pursuer’s Marks*

[3] The pursuer has long enjoyed the benefit of a trade mark for “TOMATIN”, in respect of class 33 (Scotch whisky) (UK Trademark No. UK00000844044), which was registered on 18 January 1963 (“the Original Word Mark”). However, in the spring and summer of 2018, the pursuer registered two additional trade marks, as after-noted, which effectively extended its trade mark protection to three additional classes of activities, namely, classes 35, 41 and 43 (hereinafter “the Additional Classes”), which classes correspond to retail, education and bar and leisure services. It also registered a figurative mark for class 33 as well as the Additional Classes. The trade marks the pursuer obtained in 2018 were:

- 1) UK Trademark No. UK00003299605 – “TOMATIN” (Classes 35, 41 and 43 – retail, education, entertainment and bar services connected with the production and sale of whisky), with a filing date of 26 March 2018 (“the 2018 Word Mark”); and
- 2) UK Trademark No. UK00003314854 – “TOMATIN” (figurative mark) (Classes 33, 35, 41 and 43 – Scotch whisky and retail, education, entertainment and

bar services connected with the production and sale of whisky), with a filing date of 1 June 2018 (“the 2018 Figurative Mark”).

The pursuer’s 2018 Figurative Mark is as follows:



I shall refer to the pursuer’s 2018 Word Mark and its 2018 Figurative Mark collectively as “the 2018 Marks”, to the pursuer’s Original Word Mark and the 2018 Word Marks as “the Word Marks”, and to all three of the pursuer’s marks (ie the Original Word Mark and the 2018 Marks) as “the Marks”.

[4] *The specification of the Additional Classes in the 2018 Marks* The full description of the Additional Classes for which both of the 2018 Marks were registered, are as follows:

**Class 35:** retail services connected with the sale of whisky and distilled spirits, beers, food, beverages, calendars, printed matter, magazines, greeting cards, jewellery, glassware, earthenware, tableware, t-shirts and clothing, caps and headgear, tea towels, aprons and Christmas tree decorations in the UK;

**Class 41:** education and entertainment services all relating to the manufacture, production, sale, history and consumption of whisky and other distilled spirits; provision of museum, presentation and exhibition facilities all relating to the manufacture, production, sale, history and consumption of whisky and other distilled spirits; provision of visitor centres (for educational and entertainment purposes) all relating to the manufacture, production, sale, history and consumption of whisky and other distilled spirits and whisky tasting services (for education and entertainment purposes);

**Class 43:** bar services; bars; café and restaurant services; cafes; catering (food and drink); pubs and public houses; provision of meeting, conference, convention and exhibition facilities; banqueting services; consultancy services relating to the

production of drinks and alcoholic beverages; corporate hospitality services (food and drink); provision of information relating to whisky and other distilled spirits; and whisky tasting services (provision of beverages)."

*The defender*

[5] The defender, incorporated on 12 January 2010, owns a plot of land about 300 to 400 metres distant from the entrance to the Distillery ("the Site"). The individual behind the defender is William Frame, a Scottish businessman who has traded for years *via* his principal business entity, Braemore Estates ("Braemore Estates"). He is the sole director of the defender.

*The defender's proposed use of "Tomatin" in association with the development*

[6] The defender wishes to develop the Site and he has promoted a number of planning applications of which the application in 2018 is the most recent, and which was granted in November 2018 ("the 2018 planning permission"). The defender's proposed development is for a hotel, farm shop, large restaurant, drive-through bakery, food outlet, four retail units and a petrol station ("the Development"). While the name used for the proposal in the 2018 planning application was "Juniper Village", the defender has since dropped that in favour of using "the Tomatin Trading Company" for the development (precisely when he did so or when the pursuer became aware of the change of name are contested matters).

*The defender's application for its own trade marks*

[7] On 16 January 2019 the defender filed a trade mark application with the United Kingdom Intellectual Property Office ("UKIPO") seeking to register a complex sign, incorporating both figurative elements and the word "Tomatin" within the words "Tomatin

Trading Company” (“the Sign” or “the defender’s Sign”, as the context requires) in respect of classes 16, 21, 25, 29, 30, 32, 33, 35, 41, 43 and 45. The UKIPO assigned it reference no UK00003367610 (the “Application”). The defender amended its application in March 2019 to remove class 33 (Scotch whisky) from the scope of its application. It has also eschewed any intention of selling the pursuer’s whisky at the Development. The overlap as between the defender’s Sign and the 2018 Marks for the classes sought comprises classes 35, 41 and 43 (ie the Additional Classes). I shall refer to the defender’s remaining classes, ie those excluding the Additional Classes, as “the defender’s Other Classes”.

[8] The defender’s Sign is as follows:



*The 2018 Figurative Mark and the defender’s Figurative Sign*

[9] Having regard to the issues of similarity, alleged contravention and confusion, which involves comparison of the pursuer’s 2018 Figurative Mark and the defender’s Sign, it may assist to depict those side by side:

2018 Figurative Mark (per UK00003314854)	Figurative Sign (per UK00003367610)
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*Summary of circumstances leading to the principal action*

[10] At some point in time the pursuer became aware of the defender’s use of the name “Tomatin Trading Company” in association with the Development. (The precise point in time is disputed and the defender relies on a meeting between Mr Frame and two senior executives of the pursuer on 18 February 2018, as well as some press coverage a few weeks later, in support of its contention that the pursuer’s registration of the 2018 Marks was in bad faith.) The matters that prompted the pursuer to raise this action include the following:

- 1) The change of name and signage for the Development from Juniper Village to “Tomatin Trading Company”;
- 2) The defender’s operation of a website, [www.tomatintrading.co.uk](http://www.tomatintrading.co.uk) (“the Website”), which contained statements about the sale of whisky at the Development, and which (for a brief period of time) displayed casks of the pursuer’s Tomatin whisky and an image of a jar of strawberry jam containing the brand name “Tomatin”; and
- 3) The defender’s intention to use its trading name in association with the Development.

After the pursuer's agents approached the defender, the images on the Website (referred to in (2) above), were removed from the Website. (It was this approach that prompted the defender's amendment of the Application to delete class 33.) However, the pursuer maintains that the defender's proposed use of the "Tomatin Trading Company" in association with the Development breaches its Marks in a variety of ways.

*The several applications by, and other proceedings involving, the parties*

[11] There are a number of applications made by the parties to the UKIPO, namely:

- 1) The pursuer's applications for the 2018 Marks (as defined in para [3], above);
- 2) The defender's applications to invalidate the pursuer's 2018 Marks ("the Invalidity Proceedings");
- 3) The defender's application to the UKIPO for its own Sign ("the Application" and the "Sign", as defined in para [6]); and
- 4) The pursuer's opposition to the defender's Application before the UKIPO ("the Opposition Proceedings").

The defender's proposed use of Tomatin has also generated this intellectual property action ("the principal action") and the defender's counterclaim ("the counterclaim").

*The scope of the proof*

[12] The proof included all issues raised by parties in the principal action (alleging infringement of the pursuer's Marks and passing off) and the counterclaim (alleging invalidity of the 2018 Marks). Furthermore, at the request of the pursuer, the UKIPO Examiner remitted the Invalidity Proceedings to this court under section 46 (4) of the Act. The UKIPO Examiner's reasons for the remit were as follows: (i) that to do otherwise would

prejudice the pursuer by causing a delay to the trial of the issues of infringement; (ii) that the prospects of success of the defender's Application are linked to the validity of the pursuer's 2018 Marks; and (iii) that the decision of this court may result in the withdrawal of the defender's Application, either in whole or in part. As a result, the UKIPO Examiner further ordered that the Opposition Proceedings in respect of the defender's Application before the UKIPO would continue, but with any decision suspended until resolution by this Court of the Invalidity Proceedings. Accordingly, the subject-matter of the Invalidity Proceedings forms part of the issues to be determined at the proof.

### **Outline of the parties' legal cases**

[13] Given the number of legal grounds founded upon by the parties and the scope of the proof, it may assist a better understanding of the relevance of the different chapters of evidence to outline parties' legal cases.

#### *The pursuer's case*

[14] The pursuer notes the overlap in the classes as between its Marks and the defender's Sign. It notes that the defender intends at its Development to offer a range of retail, hospitality and restaurant services and that particular services are identical with or similar to those classes for which the Marks are registered, namely, the proposal for a restaurant and café, and a retail unit selling goods including Scotch whisky. It contends that it is clear that the services which the defender intends to offer are similar, and in some cases identical to the classes in which the Marks are registered. There is a likelihood of confusion.



*The pursuer's legal grounds of infringement*

[15] The pursuer alleges breaches of sections 10(2) and 10(3) of the Act (which are set out below, at para [43], collectively "the statutory grounds"), and passing off at common law.

*Similarity of the Marks and the Sign*

[16] The pursuer contends that the dominant feature of the 2018 Figurative Mark, the 2018 Word Mark, the Original Mark and the Sign is the word "Tomatin"; that as between the Original Mark and the Sign, there is identity; and that in making a comparison there are similarities on visual, aural and conceptual levels.

*The likelihood of confusion*

[17] On the issue of confusion (which is relevant to the pursuer's case under section 10(2) of the Act and to its case of passing off), the pursuer contends that the proximity of the Development to the Distillery will significantly increase the risk of confusion as between the Sign and the Marks. A further relevant circumstance is the manner in which the defender proposes to use the Sign. The pursuer notes that in one of the defender's earlier planning applications (but not the one resulting in the 2018 planning permission) there had been photographs of other distilleries and distillery warehouses, and an evinced intention that features of the Development were to resemble a Scotch whisky distillery (eg a pagoda-like roof and building materials). From this, the pursuer contends that the defender proposes to use its Sign in the context of a building development that is next to the pursuer's Distillery and also designed to look like one. Furthermore, the pursuer operates the Visitor Centre at which members of the public are given a tour of the Distillery and invited to sample besides purchase the pursuer's whisky, as well as other branded and non-branded retail items. In

one of its planning applications, the defender described the development as including a "visitor centre" and an intention to sell whisky (although the defender has since dropped these elements from its Development).

[18] In respect of its case for infringement under section 10(2), the pursuer focuses on the overlap in the classes (ie, the Additional Classes) in the pursuer's Marks and the defender's Sign and in the use of "Tomatin", which is identical to its Word Marks. It contends that reputation exists for its use of "Tomatin" and that the pursuer has not consented to the defender's use.

[19] While section 11(2) of the Act provides the circumstances in which a registered trade mark is not infringed (including the use which is descriptive of geographical place or origin), so long as that use is "in accordance with honest practices in industrial and commercial matters", the pursuer's position is that this provision will not protect the defender's proposed use of the Sign in association with the Development. This is because it contends that "Tomatin" is not descriptive of geographic origin and the defender's usage is not in accordance with honest practices in commercial matters. Rather, the pursuer's position was that it is used in a way that is not fair and does not protect the legitimate interests of the pursuer.

*Alleged infringement under section 10(3) of the Act*

[20] In respect of its case for infringement under section 10(3) of the Act the pursuer's position is that it has built up significant goodwill in the use of the Marks and that reputation also exists. The pursuer does not consent to the defender's use of the Sign in the course of its business.

[21] The pursuer relies on the same arguments and evidence about confusion and similarity it had advanced under section 10(2) for the purposes of establishing an infringement under section 10(3) and to show that the use of the Sign gives rise to a link with the Marks for its case under section 10(3). The requirement in section 10(3) of the Act for a link requires less than the confusion needed for infringement under section 10(2).

[22] The pursuer contends that the defender's proposed uses of the Sign will take unfair advantage of the distinctive character and repute of the Marks. It relies on the defender's promotional materials as evidencing a deliberate intention to take advantage of the pursuer's goodwill (this was based on the material referred to in para [10(2)], above). Further, confusion in which members of the public erroneously believe that the defender's Development is associated with the pursuer indicates that the distinctive character of the pursuer's Marks is being eroded.

[23] On the issue of due cause, the pursuer's position is that it has made use of the name "Tomatin" for a considerable time in a business in which the use of distillery names is important. The pursuer has invested significant sums of money over several years in promoting the Marks and it has established a reputation associated with the Marks. Conversely, the pursuer argued that there is no reason why the defender requires to use the name "Tomatin" for its business. The manner in which it is used in the name "Tomatin Trading Company" is not such that it identifies its origin. It has no existing reputation or good will in the word. The defender has no legitimate basis for the use of the Sign and it is without due cause.

[24] It contends that, again, section 11(2) of the 1994 Act does not provide a defence.

*Passing off*

[25] The pursuer identifies the constituent elements of passing off as follows:

- 1) the pursuer's goods or services have acquired a goodwill in the market and are known by some distinguishing name, mark or other *indicium*;
- 2) there is a misrepresentation by the defender (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defender are goods or services of the pursuer. Just because the sign used is descriptive does not avoid the possibility of confusion; and
- 3) the pursuer has suffered, or is likely to suffer, damage as a result of the erroneous belief engendered by the defender's misrepresentation that the source of the defender's goods or services is the same as the source of those offered by the pursuer.

In reliance on its submission in respect of the statutory grounds, it contends that the requirement for goodwill is met and that the overall manner in which the defender intends to use the Sign is such that it will amount to a misrepresentation likely to lead the public to believe that the defender's goods and services are offered by the pursuer. In a business such as that of the pursuer, in which branding by place name is important, this will be detrimental to its business.

*The defender's registration of the Sign*

[26] The pursuer noted that if the court considers that the defender's use of the Sign amounts to infringement under either section 10 of the 1994 Act, or the law of passing off, then in terms of subsections 5(2)(b), 5(3)(a) and 5(4) of the Act they should not be registered as trade marks. These sections, which contain some of the relative grounds on which

registration of a sign may be refused, reflect some of the conditions to be established in the pursuer's grounds for infringement. In particular, the conditions of similarity between a sign and an earlier trade mark and the "likelihood of confusion" are contained in section 5(2)(b); the condition of being "identical with or similar to" an earlier mark and the use of the later mark being without due cause, taking unfair advantage of or being detrimental to the distinctive character or repute of the earlier mark are contained in section 5(3)(a); and passing off is referred to in section 5(4). These provisions demonstrate how the pursuer's case of infringement is inextricably linked to the defender's Application.

[27] The pursuer's position is that even were the defender's Application granted by the UKIPO, section 11(1) of the Act would provide the defender solely with a defence in respect of the use of that figurative mark in the classes in respect of which it was registered. Section 11(1) would provide the defender with no broader defence to the wider claims of trade mark infringement and passing off the pursuer alleges.

*The pursuer's response to the defender's counterclaim*

[28] The pursuer resists the defender's counterclaim, which seeks invalidation of the 2018 Marks on three of the grounds in section 3 of the Act, namely that the pursuer's Marks are not registrable under any of sections 3(1)(c) (descriptive of geographical origin of goods or services), section 3(3)(a) (contrary to public policy), and section 3(6) (bad faith) of the Act.

[29] The pursuer's position is that in considering the 2018 Word Mark it is necessary to have regard to the fact that prior to the application for registration it had acquired a distinctive characteristic as a result of the use made of it and the investment in it by the pursuer over an extended period. The Marks have been used within the UK and worldwide for over 100 years to denote goods and services associated with the Distillery. The pursuer

uses the "Tomatin" mark on its goods and services to denote the trade origin of those goods and services, and not as an indicator of geographical origin. Indeed, the pursuer's position is that it has been doing so prior to the existence and identification of Tomatin as a village. Its use of the "Tomatin" mark includes both the sale and marketing of whisky, and the operation of the Visitor Centre at the Distillery and the goods that are sold there. The evidence indicates that it has acquired a distinctive characteristic. In this regard the court requires to consider matters from the standpoint of the observant and circumspect consumer rather than of individuals that are local to the village of Tomatin. "Tomatin" is not well known as a place name outwith its immediate locality and the village derived its name from the Distillery. Simply because a name is a geographical name, does not mean that it is automatically associated in the trade of goods and services from the perspective of the relevant consumer as an indication of geographic origin.

[30] Further, to the extent that reliance is placed on the word "Tomatin" within the 2018 Figurative Mark, the same considerations apply. In addition, it should be noted that the prohibition in section 3(1)(c) of the Act (containing the absolute grounds of refusal of registration) applies only to signs which consist exclusively of signs which designate geographical origin. This is not the case in relation to the 2018 Figurative Mark. It is not correct to state, as the defender avers in its counterclaim, that the additional elements in the 2018 Figurative Mark are *de minimis* in the context of the mark as a whole.

[31] The pursuer made the point that the continued registration of the 2018 Marks would not prevent other businesses in Tomatin from using the word "Tomatin" as an indicator of geographic origin, provided their use was in accordance with honest practices in industrial and commercial matters as set out by section (2)(b) of the 1994 Act, but the defender does not fall within this exception.

[32] Finally, the pursuer contends that the 2018 Marks were sought in the context of an established business which had owned and used the “Tomatin” mark for a considerable time. It was a legitimate attempt to protect its business interests as it was envisaged that they would develop these in the future. The registration of the 2018 Marks was not in any sense an abuse of the trade mark system. The application for them was accordingly not made in bad faith.

*The defender’s response to the pursuer’s case*

*The fundamental challenge to the pursuer’s case*

[33] The defender submits that there is an overarching flaw in the pursuer’s case that applies both to its statutory grounds for trade mark infringement (under sections 10(2) and 10(3)) and passing off. Trade mark infringement in terms of section 10(2) or (3) of the Act requires *use* of an allegedly offending sign “in relation to goods or services”. While the pursuer avers that the defender “has already commenced offering or supplying goods and/or service signs similar to the Marks” and that it is “reasonably apprehensive that the defender will continue to do so”, as a matter of fact (i) no building work has commenced at the Site and (ii) the defender has not used the “Tomatin” and/or “Tomatin Trading Company” sign “in relation to goods or services”, as required in section 10 of the Act.

[34] The defender observed that, while the pursuer *might* have a potential claim for trade mark infringement in the future when the “Tomatin Trading Company” sign is being used “in relation to goods or services”, such as in advertising or promotion of the Development when its plans are more advanced, however, its position was that the pursuer’s action is premature. Indeed, it contended that it would be prejudicial to the defender for the court to decide the principal action on the basis of only a potential for future trade mark

infringement. While there were several strands to this argument, in short, it was not for this court to speculate about whether any potential future use of the “Tomatin Trading Company” sign in relation to particular goods and/or services will infringe the pursuer’s trade marks. The assessment for trade mark infringement requires the court to undertake a comparison between the goods and/or services for which the trade mark is registered with the goods and/or services for which the alleged infringer *is using* the offending sign and also to do so for the purposes of establishing if there is confusion. The defender’s contention is that such an exercise is inept or, at best, speculative, where, as here, the Development has not been built and no goods or services are yet offered. Any attempt to make a comparison must be speculative. Nor, in those circumstances, is it possible to identify the goods and/or services, but which identification is vital to the assessment of the “likelihood of confusion”. For the same reason, it contends that the court will be unable to examine the objective conditions under which the goods and/or services may be present on the market for the purposes of assessing the likelihood of confusion. In these circumstances, the nature of any alleged trade mark infringement in the future is highly speculative as neither has the Development been built nor final decisions made in relation to the sub-brands of the facilities at the Development. Accordingly, it argues, the pursuer’s case is bound to fail in circumstances where the defender’s Sign is not being used in relation to goods or services.

*The prejudice argument*

[35] The defender has a distinct argument that it would be prejudicial for the court to try to determine the pursuer’s case – essentially for an anticipated future breach – as this would be to ignore the fact that the defender’s Application to the UKIPO is outstanding, and over



which that body has exclusive jurisdiction. If the defender's Application is granted, there would be no breach of the pursuer's Marks.

*The challenge in the counterclaim to the pursuer's 2018 Marks*

[36] The defender lodged the counterclaim, seeking declarators that the 2018 Marks are invalid in terms of sections 3(1)(c), 3(3)(a) and 3(6) of the Act. If either of the 2018 Marks is declared invalid (which may extend to all or some of the Classes for which it is registered) on one or more of the grounds of invalidity, it is as if they were never registered. In brief, the grounds of alleged invalidity are that Tomatin is descriptive of geographical origin, that it is contrary to public policy and that the 2018 Signs were registered in bad faith. There is a significant degree of overlap in the arguments and evidence relevant to the first two grounds of the defender's invalidity challenge.

[37] Section 3 of the Act provides for grounds, described as "absolute grounds", for refusal of registration of a trade mark. By virtue of section 47(1) of the Act, a registered mark may be invalidated on any of the grounds in section 3 of the Act on the basis that they ought never to have been registered. The three grounds the defender relies on in its challenge to the validity of the pursuer's 2018 Marks are as follows:

- 1) Section 3(1)(c) ("the geographical origin ground"): The defender contends that "Tomatin" is a descriptor of geographical origin and, given that a trade mark which consists exclusively of a sign or indication which may serve, in trade, to designate the geographical origin of goods or services, it shall not be registered (unless it has acquired a distinctive character as a result of the use made of it);
- 2) Section 3(3)(a) ("the public policy ground"): The defender's grounds of challenge under sections 3(1)(c) and 3(3)(a) effectively proceed on the same basis. As

a matter of public policy the pursuer should not be permitted to monopolise a place name which is capable of serving as a geographical indicator for those goods and/or services. The public interest requires that all signs or indications which may serve to designate characteristics of the goods or services in respect of which registration is sought remain freely available to all undertakings in order that they may use them when describing the same characteristics of their own goods or services. This is known as the “need to keep free” principle; and

3) Section 3(6) (“the bad faith ground”): A trade mark application made without any intention to use the mark in relation to the goods and services covered by the registration constitutes bad faith, if the applicant for registration of that mark had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark.

[38] The factual basis the defender relies on for the first two grounds of invalidity is that both the Tomatin Estate (“the Estate”) (established in the 17<sup>th</sup> century) and Tomatin village (“the village”) predate the Distillery’s foundation (in 1897). The name of the Distillery is derived from the Estate. In any event, as a result of the village’s location adjacent to the A9 (and lying between Perth and Inverness), it attracts both local consumers of goods and/or services as well as tourists. The goods and/or services for which the 2018 Marks are registered are all the types of goods and/or services that are located in most places in the United Kingdom, including small villages such as Tomatin. Therefore, an average consumer of retail services connected with the sale of food and beverages is likely to consider that the word “TOMATIN” is the geographical indicator of where those services are provided. The

relevant class of person for the goods and/or services in classes 33 (with the exception of Scotch whisky for which the pursuer has acquired distinctiveness), 35, 41 and 43 might associate the "TOMATIN" name with the name of the village in which those goods and/or services are provided. There is a particular likelihood of this association in relation to the services in classes 35, 41 and 43 where the average consumer is likely to have a connection with the village of Tomatin either as a local resident or someone who intends to pass through or near Tomatin. The defender also notes that there are a number of businesses and amenities within the area of Tomatin that use and trade under the "TOMATIN" name. The defender intends that the Development, which is situated in Tomatin, will include a hotel, farm shop, café, drive-through bakery, food outlet, four retail units and fuel filling station. The defender should be entitled to use "TOMATIN" as a geographical indicator of those goods and/or services.

[39] In respect of the defender's third ground of invalidity, the bad faith ground, the defender's case is that the pursuer was aware of the defender's intended use of the "Tomatin Trading Company" name for the Development at the time of filing for the registration of the 2018 Marks. It relies on two chapters of evidence: (i) the meeting the defender's Mr Frame had to discuss the proposed Development with the pursuer's Mr Bremner and Mr Anderson at a meeting on 17 February 2018 ("the February 2018 meeting"); and (ii) the press coverage of the defender's plans for the proposed Development under the "Tomatin Trading Company", as a "hotel, restaurant and retail development" on 21 March 2018 and on subsequent days. The pursuer submitted its trade mark application for the 2018 Word Mark on 26 March 2018, within days of the widespread press coverage about the Development. The pursuer thereafter submitted its trade mark application for the 2018 Figurative Mark on 1 June 2018. The applications for the 2018 Word Mark and 2018 Figurative Mark covered the

services that had been announced in the press as forming part of the proposed Development.

[40] The defender contends that in the whole circumstances, the purpose was to obstruct the defender's use of "Tomatin Trading Company" in relation to the Development. Indeed, the defender contends that the pursuer filed the applications as part of a deliberate strategy of seeking a very broad protection for the "TOMATIN" mark regardless of whether it was commercially justified. In terms of section 32(3) of the 1994 Act, when making an application to register a trade mark, an applicant must state that the trade mark is being used or that there is a *bona fide* intention that it should be so used. It surmised that the pursuer has made a false, or partially false, declaration to obtain the protection of the 2018 Marks in respect of the goods and/or services for which they are registered. In these circumstances, the 2018 Marks should be invalidated in terms of section 3(6) as the applications were made in bad faith.

***Responses to the pursuer's case on the merits: whether the defender has infringed the pursuer's Marks***

[41] The defender's primary position is that the "Tomatin Trading Company" sign is not being used *in relation to goods or services* at this time and, accordingly, the pursuer's claim for trade mark infringement cannot succeed.

[42] If, contrary to the defender's primary position, the court was satisfied that there is use of the Sign in relation to goods or services, the defender contends:

- 1) That if the 2018 Marks are invalidated, the pursuer's claim for trade mark infringement of the 2018 Marks fails. In that circumstance, the pursuer's claim for trade mark infringement would rest only on the Original Word Mark. The Original Word

Mark is only registered in relation to Scotch whisky and does not overlap with the defender's proposed activities at the Development. It has a filing date of 18 January 1963. The defender takes no issue with the validity of the Original Word Mark in these proceedings;

2) If the court refuses to invalidate the 2018 Marks in full, or there is partial invalidity in relation to specific goods and/or services, the court will then need to conduct an assessment of whether there is trade mark infringement of the 2018 Marks (to the extent not invalidated) and the Original Word Mark in terms of section 10 of the Act. There are discrete issues that arise, namely:

- 1) The defender does not propose to use the "Tomatin Trading Company" sign on Scotch whisky, which is fatal to the pursuer's case of trade mark infringement of the Original Word Mark;
- 2) Many of the defender's proposed activities are not similar to the goods and services for which the 2018 Marks are registered (eg although the pursuer has registered the 2018 Marks for Class 43, it has not done so to cover the provision of hotels, holiday and tourist accommodation and hospitality services (accommodation); and classes 16, 21, 25, 29, 30, 32 and 45), and, as there is no similarity between these respective goods and/or services as required in section 10(2) of the Act, this is fatal to the pursuer's case of trade mark infringement of the 2018 Marks in relation to those goods and/or services ("the dissimilarity issue");
- 3) In relation to the issues of similarity and confusion, there is no likelihood of confusion. There are clear visual, phonetic and conceptual differences between the defender's Sign and the pursuer's Marks. While the

common element is the word "TOMATIN", this is a geographical location in Scotland. Furthermore, in the context of the 2018 Marks where there is no acquired distinctiveness in relation to those goods and/or services, the common element lies in a word that is capable of being descriptive of the geographical origin of the goods and/or services in question. The defender's "Tomatin Trading Company" sign incorporated the words "TRADING COMPANY". The average consumer, perceiving a mark as a whole, would understand the use of the word "TOMATIN" in the defender's "Tomatin Trading Company" as a geographical indicator of where those goods and/or services are provided. There is no likelihood of confusion;

4) The defender's position is that section 10(3) of the Act is not engaged in this case. This section applies to well-known trade marks. The reputation of a trade mark must be established in the relevant territory in relation to the relevant section of the public as regards the goods or services for which the mark is registered. The pursuer's Marks do not enjoy such a reputation (outwith class 33 for the Original Word Mark);

5) The defender also invokes the defence in section 11(2)(b) of the Act, which provides that a registered trade mark is not infringed by the use of signs or indications which concern the geographical origin of the goods and/or services, provided that use is in accordance with honest practices in industrial or commercial matters. Its use fulfils that proviso. The defender's use of "Tomatin" and/or "Tomatin Trading Company" sign is descriptive of the geographical origin of the goods and/or services being provided. The defender has used the signs in accordance with honest practices in industrial

or commercial matters. If there was a likelihood of confusion, this will not disqualify the use from being in accordance with honest practices if there is a good reason why such a likelihood of confusion should be tolerated (*Samuel Smith Old Brewery (Tadcaster) v Lee (t/a Cropton Brewery)* [2012] FSR 7, at paragraph 117). The good reason in this case is that the defender requires to use the sign to indicate where its goods and/or services are provided.

3) Finally, in relation to passing off, the defender relied on its submission that it is not supplying goods and/or services under the “Tomatin Trading Company” sign at this time and therefore the pursuer’s claim for passing off cannot succeed. In the event the court was satisfied that the defender has supplied goods and/or services under the “Tomatin Trading Company” sign, or that the absence of such is not a bar to a passing off action, the defender contends that the pursuer’s protectable goodwill is restricted to its existing business – namely, distilling, maturing and producing its single malt whisky under the “Tomatin” brand as well as in its Visitor Centre and whisky tasting tours. The pursuer has no goodwill in respect of most of the services included within the specification of the 2018 Marks. Further, the proposed Development will include a hotel, farm shop, café, drive through bakery, food outlet, four retail units and fuel filling station. In this case, the absence of a common field of activity was fatal to establishing a likelihood of deception. The defender’s use of the “Tomatin Trading Company” sign will not cause a substantial number of the pursuer’s customers (who will be consumers of single malt whisky) to be misled into purchasing the defender’s goods and/or services, believing that they are provided by the pursuer. In these circumstances, the defender has not, and will not, pass off its goods and services as those of the pursuer.

### The statutory provisions

[43] The parties referred to a number of sections of the Act. I set out the terms of only those to which frequent reference was made. (Other provisions are noted where necessary.)

The pursuer's statutory grounds of infringement are in section 10(2) and 10(3). So far as material, section 10 provides:

#### **"10 Infringement of registered trade mark.**

(1) A person infringes a registered trade mark if he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.

(2) A person infringes a registered trade mark if he uses in the course of trade a sign where because—

- (a) the sign is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered, or
- (b) the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the trade mark.

(3) A person infringes a registered trade mark if he uses in the course of trade, in relation to goods or services, a sign which—

- (a) is identical with or similar to the trade mark
- (b) where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

(3A) Subsection (3) applies irrespective of whether the goods and services in relation to which the sign is used are identical with, similar to or not similar to those for which the trade mark is registered.

[...]

(4) For the purposes of this section a person uses a sign if, in particular, he—

- (a) affixes it to goods or the packaging thereof;
- (b) offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign;
- (c) imports or exports goods under the sign;



- (ca) uses the sign as a trade or company name or part of a trade or company name;
- (d) uses the sign on business papers and in advertising; or
- (e) uses the sign in comparative advertising in a manner that is contrary to the Business Protection from Misleading Marketing Regulations.”

The guidance derived from the case law on the conditions to be met in order to establish infringement of the statutory grounds is summarised at paragraphs [259] and [260], below.

The defender relies on the defence in section 11(2). So far as material, section 11 provides:

**“11 Limits on effect of registered trade mark.**

- (1) A registered trade mark is not infringed by the use of a later registered trade mark where that later registered trade mark would not be declared invalid pursuant to section 47(2A) or (2G) or section 48(1).

[...]

- (2) A registered trade mark is not infringed by –
- (a) the use by an individual of his own name or address,
  - (b) the use of signs or indications which are not distinctive or which concern the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

[...]

provided the use is in accordance with honest practices in industrial or commercial matters.”

[44] The defender’s counterclaim relies on three of the absolute grounds for refusal of registration in section 3 (and which also are the grounds for invalidity, by virtue of section 47). So far as material, these are:

**“3. Absolute grounds for refusal of registration**

- (1) The following shall not be registered –
- (a) Trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, intend purpose value, geographical origin.....or other characteristics of goods and services,

[...]

Provided that, a trade mark shall not be refused registration by virtue of paragraph ... (c) above, if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

[...]

- (3) A trade mark shall not be registered if it is –
- (a) contrary to public policy or to accepted principles of morality,
- [...]
- (6) A trade mark shall not be registered if or the extent to which that application is made in bad faith.”

## **The proof**

### *Witnesses*

#### *The pursuer's witnesses*

[45] The pursuer called the following witnesses to fact:

- 1) Stephen Bremner, the pursuer's managing director, spoke to the pursuer's trade marks; how they are used; the circumstances in which the 2018 Marks were applied for; the pursuer's commercial activities; the reputation of, and awards won by, products bearing the Marks; the pursuer's goodwill in the Marks; how the pursuer promotes the Marks; the meetings with Mr Frame in February 2018 and February 2019; how and when the pursuer became aware of the defender's Application; the area around the Distillery and the various shops/businesses which have used the name "Tomatin"; the defender's activities with respect to the planned development next to the Distillery; how potential customers of the pursuer are being "deceived" by the defender's use of "Tomatin"; the extent to which the name "Tomatin" is associated in the mind of the relevant public with the pursuer's products and services and not a locality; and the defender's use of Tomatin not being in accordance with honest business practices;

- 2) Robert Anderson, the former managing director of the pursuer, spoke to the pursuer's brands and trade marks, and the meeting in February 2018 which was attended by him, Mr Bremner and the defender's Mr Frame;
- 3) Scott Adamson, the pursuer's Global Brands Ambassador, spoke to the history of the Tomatin Distillery and the area of Tomatin; the pursuer's brands; how the pursuer promotes its Tomatin single malt; the reputation of and awards won by Tomatin single malts; the pursuer's goodwill in the Tomatin brand and its Marks; and the public's association of the name "Tomatin" with the pursuer's products and services;
- 4) Graham Eunson, a director of the pursuer, spoke to the defender's development site; the confusion as to whether the pursuer is behind the defender's development at the site; and the pursuer's plans for the Visitor Centre at the Distillery;
- 5) Jennifer Masson, Head of Brand for Tomatin Single Malt, also spoke to the pursuer's brands; the use of heraldic crest logos in the whisky industry; the growth of the Tomatin single malt whisky brand; the advertisement, marketing and promotion of the Tomatin single malt whisky as a brand; the pursuer's marketing reviews and events; the pursuer's website; the pursuer's social media platforms; the pursuer's app; the awards won by Tomatin single malt; the pursuer's collaborations with food and drink manufacturers and others in the food and drink industry; the branded goods sold in the Visitor Centre;
- 6) Brian Gibson, Joint Managing Director of the independent wine and spirits retailer, T.B Watson Limited of Castle Douglas, spoke to his sales of Tomatin malt whisky; the reputation and quality of Tomatin single malt; the promotion by the

pursuer of the Tomatin brand; the services offered at Tomatin Distillery and the products sold there other than whisky; and

7) Guy Dominic Hodcroft, a buyer for a specialist online retailer, Master of Malt, t/a Master of Malt, Unit 1 Ton Business Park, who also spoke to the Tomatin Whisky Brand and other products which are part of that brand; Tomatin Village.

*The pursuer's expert*

[46] The pursuer also called Charles MacLean as an expert witness. He produced a Report and Supplementary Report covering: the history of Tomatin and the Tomatin Distillery; Tomatin's single malts; the Tomatin Distillery Visitor Centre and ancillary services; the pursuer's reputation and goodwill in its trade marks; the pursuer's 2018 Figurative Mark; the pursuer's use and proposed use of its Marks; the defender's proposed use of its Sign; and the impact of the defender's use of its Sign on the pursuer's reputation and business.

*The defender's witnesses to fact*

[47] The defender called the following witnesses to fact:

1) William Frame, who is the sole director of the defender. He spoke to the incorporation of the defender, the plans for the development, the defender's Website, Mr Frame's meetings with Mr Stephen Bremner of the pursuer, the importance of the name of the Development, the defender's trade mark Application, the defender's applications to invalidate the pursuer's 2018 Marks, and to respond to the alleged infringements of the pursuer's Marks and passing off;

- 2) Simon Bath, a consultant to the defender, spoke to the defender's business and the proposed Development. He also spoke about the village of Tomatin and use of the name "Tomatin";
- 3) Edward Osborne, former Chairman of Tomatin Community Council, spoke to his meeting with Mr Frame and Mr Bremner in 2019, and the Tomatin Community Council meeting in 2019 at which Mr Frame spoke about the Development and the dispute. He also spoke about the village of Tomatin, the wider community and the various businesses and amenities which use the name "Tomatin";
- 4) George Macleod, former owner Tomatin Country Store Limited and Tomatin Country Inn, who spoke to his business' use of the name "Tomatin" and other local businesses and amenities which use the name "Tomatin";
- 5) Lord Macpherson, owner Tomatin Firewood, spoke to the Tomatin community, the Tomatin business community, his business' use of the name "Tomatin" and other local businesses and amenities which use the name "Tomatin";
- 6) John McGowan, an enquiry agent, spoke to his investigation of the pursuer's 2018 trade marks on 2 October 2020 and his report ("the Inquiry Report"), which described the retail and refreshment provision offered at the Visitor Centre at the time of his visit to it; and
- 7) Peter Lederer, former Chairman of Gleneagles Hotel and Visit Scotland and a former director of Diageo, spoke to the proposed Development, the pursuer's business, the use and knowledge of the name "Tomatin" and the use of geographical names in relation to commercial operations.

[48] The defender also called an expert, Iain Russell, a whisky writer and former archives consultant at Chivas Brothers and Brands Heritage Manager at Glenmorangie. Mr Russell

spoke about the village of Tomatin and use of the name “Tomatin”. He also spoke about the history of the Tomatin Distillery and the history and sales of Tomatin Scotch whisky and Visitor Centre, as well as the issue of Tomatin’s reputation.

*Objections to passages of evidence in the witness statements*

[49] Parties lodged notes of objections to passages in the other side’s witness statements (“the pursuer’s Note of Objections” and the “defender’s Note of Objections”, respectively, and collectively “the Notes of Objections”). For ease of reference and given the number of objections, the Notes of Objections are contained in Appendix 1 to this Opinion, as are my determinations of those objections. I have given effect to my decisions on those objections in my consideration and determination of the many issues in this case.

*Documentation considered at proof*

[50] Consistent with commercial practice, the evidence in chief of the parties’ witnesses at proof was by adoption of their witness statements and any supplementary statements, augmented to some extent by evidence in chief, followed by cross-examination. In addition to their witnesses to fact, the parties led opinion evidence from their respective experts, Charles MacLean and Iain Russell, two distinguished writers on the whisky industry, who spoke to their reports. The parties also produced a joint bundle of productions, a joint bundle of authorities, draft notes of argument, a joint minute and a joint statement of agreed legal principles. After the close of evidence, parties were afforded two weeks in which to produce their written submissions and a further week to produce their supplementary written submissions, before their oral submissions were heard over 2 days. I have had

regard to all of these materials. I do not propose to rehearse the contents of these documents or the oral submissions.

### **Uncontroversial or unchallenged evidence, or terms of core documentation**

[51] The pleadings in the principal action and counterclaim are very full, reflecting the number and complexity of the issues. They contain extensive averments of background factual matters. While many of those factual averments are not admitted, they were not challenged at proof. There were chapters of evidence which, though not formally agreed, were not controversial. These chapters included the history of the Distillery, the nature of the whisky industry in Scotland and how the market in single malt whiskies has emerged in the last few decades, or the defender's various planning applications for the Site. It will be apparent from the witness summaries that there was substantial overlap in the topics the witnesses spoke to. I do not propose to repeat evidence of one witness on matters also spoken to by another witness for the same party. Accordingly, I propose to summarise this uncontested or uncontroversial evidence in the next sections, and to do so without attributing every statement to an individual witness. I will also incorporate the matters agreed in the joint minute. Where appropriate, I will also include evidence which was not agreed, but which, in the end, was not challenged in cross-examination or which was not otherwise contradicted by other evidence I have accepted. The qualitative assessment (eg whether there was "substantial" good will, whether the Tomatin brand was "well-known" etc) are of course some of the issues at the heart of the dispute between the parties and are dealt with when I come to consider the contested chapters of evidence.

*The location of and signage for the village and the Distillery*

[52] As one of the issues is whether a passing driver or visitor might confuse the Site for the Distillery, it is necessary to describe their relationship to each other, and to Tomatin village and the A9, as well as the existing signage. The Site which the defender wishes to develop formerly accommodated the “Little Chef-Tomatin” at the junction of the A9 and the turn off for Tomatin village (“the junction”). The junction with the A9 (which is signposted “Tomatin”) is approximately 1 mile north of Tomatin village (“the village”) and it serves both the Site and the Distillery. The signs a traveller driving North on the A9 would see on approaching the junction are show below:



The village of Tomatin and the pursuer’s distillery have separate brown tourist signs (albeit the name Tomatin does not appear on the sign). In order to reach the Site, the Distillery or the village, a visitor travelling in either direction would have to come off the A9 at the junction and head west, at which point a T-junction would be reached. The sign at the T-junction is shown below:





Again, there are separate signs for Tomatin village and the pursuer's Distillery (now named on the brown tourist sign). A driver who turned left would find another single tourist sign "Distillery Visitor Centre" shortly thereafter, indicating the entrance to the Distillery. At present, the traveller coming off the A9 would first pass the entrance to the Site (on the left) before reaching the entrance to the Distillery about 300 to 400 metres further toward the village. If the plans to dual this stretch of A9 carriageway proceed, the new on-off ramps will be located south of the junction, such that a driver coming off the A9 would reach the Distillery first, and not the Development.

### *The emergence of single malt whisey as a distinct and premium product*

[53] Historically, and in common with the rest of the producers of Scotch whisky, throughout most of the twentieth century the vast majority of the Tomatin Distillery's production was produced for blending or bulk export. It became one of the biggest producers and exporters of blended whisky by the mid-1970s (having increased the number

of stills from 4 in 1956 to 23 stills in 1974). However, the production of single malt whisky in its own right, and as a premium product, emerged only in the last 20 to 30 years. Even as late as 1981, less than 1% of whisky production in the UK was released as a single malt. In terms of volume of single malt whisky, it now accounts for around 10% of the market by volume. Those circumstances explain why the creation of a distinctive brand or image is also a relatively recent phenomenon; there was little need for having or developing a “brand” awareness for whisky sold for blending.

*The pursuer’s offering, distribution and marketing activities*

*The pursuer’s offering and distribution within the UK*

[54] Around 90% of the pursuer’s whisky product is still exported to international markets. The remaining 10% of its product is sold in the UK.

[55] The pursuer’s principal outlets in the UK for the purchase of its bottled whisky are its own Visitor Centre, specialist independent and online retailers (two of whom, Brian Gibson and Guy Hodcroft, gave evidence), in airside airport retail outlets, and in restaurants and bars. Apart from being listed (if not necessarily always available) in Tesco stores in Scotland, the pursuer’s products were not sold through any other supermarkets elsewhere in Scotland or in any other part of the UK. The significance of this is that it was generally agreed by those witnesses asked about this, that it was via the supermarkets that a producer generated mass sales or wider brand awareness.

*Data relative to the pursuer’s position in the global and UK markets*

[56] A number of spreadsheets or other analyses were lodged relative to the pursuer’s position in the UK and global markets (by volume of sales), and analyses to identify the

sources of revenue that contributed to its turnover. This evidence is directed toward issues such as whether the pursuer has the requisite brand recognition (eg to engage section 10(3) of the Act) or good will, or the identification of the average consumer of the pursuer's products and services protected by its Marks.

[57] None of these spreadsheets was agreed and, indeed, those compiled by the pursuer's Scott Adamson were challenged on several grounds (eg the omission of a significant competitor or the inclusion of sales of Tomatin from its Visitor Centre when comparable figures had not been included for other brands in the table). As there was extensive reference to these in the evidence, it is convenient to note this evidence as a body at this point.

[58] Two of the spreadsheets the pursuer produced showed, respectively, global and UK sales of single malt whisky broken down by brand for the years 2015 to 2019 ("the global single malt whisky sales spreadsheet", and "the UK single malt whisky sales spreadsheet", respectively). The first column of each of these contained the market share for 2019 and the remaining columns recorded the number of 9 litre cases ("9L"), the standard unit of sale in the industry, sold in those years. Some of this data was derived from a body known as the International Wine and Spirits Research ("IWSR"), which collected data on the industry which it made available to its subscribing members.

*The pursuer's spreadsheet of global of single malt whisky sales*

[59] The pursuer's global single malt whisky sales spreadsheet contained 25 entries, listed in descending order in terms of volume. Tomatin was 25<sup>th</sup> in 2019, with 0.3% of the market share of global sales. Its global sales, expressed as the number of 9L cases sold, were as follows: 37,200 (in 2015), 47,400 (in 2016), 57,000 (in 2017), 54,500 (in 2018) and 67,800

(in 2019). The pursuer emphasises the relative growth over those years of 82.4% (only two brands have a higher % growth over the same years). The top three brands (Glenfiddich, The Glenlivet and The Macallan) have individual market shares of 13.6%, 11.5% and 8.9% (or, collectively, 34%) of global single malt whisky sales in 2019. Thereafter the market share drops to just under 5% (for the next two brands) and continues to decrease. So, for example, the 12<sup>th</sup> largest, Lagavulin, has only 1.9% market share and the remaining entries (13<sup>th</sup> to 24<sup>th</sup>) are similarly modest.

*The pursuer's UK single malt whisky sales spreadsheet*

[60] The UK single malt whisky sales spreadsheet also records respective market share of different producers. In 2019 Tomatin ranked 39<sup>th</sup> in the spreadsheet with 0.3% of UK sales. The top three single malts (Glenfiddich, Laphroaig and Glenmorangie) had 8.9%, 7.1% and 6.4% (or, collectively, 22.4%) in the same year. The individual market shares held by those in the 4<sup>th</sup> to 9<sup>th</sup> positions was between 6.3% and 3.5%; the corresponding figures for those in 10<sup>th</sup> to 20<sup>th</sup> positions was 2.6% to 1.2%. In other words, all of the brands ranked from the 21<sup>st</sup> position and below each had less than 1% of the market share of single malt whiskies in the UK. The pursuer recorded its UK sales of 9L cases as follows: 2015 (1,900), 2016 (3,300), 2017 (3,700), 2018 (3,200) and 2019 (3,000). Again, the pursuer emphasised the relative growth over those years of 56.8% (six brands have a higher % growth over the same years). The UK market was variously described as “mature” and “fragmented”. Mr Bremner described the UK Scottish market as “crowded” with over 100 different brands, each of which had several different expressions. He believed that the pursuer “punched above its weight”, given that it was a single unit distilling company and it “did not have a massive” marketing budget.

[61] These figures are broadly consistent with the information that the pursuer's Lorraine Waddell has provided to Alan Gordon of Pagoda Scotland Limited ("Pagoda"), another whisky industry analyst, in an e-mail dated 27 May 2020. In percentage terms, in 2019 the pursuer exported around 93% of its production of single malt whiskies (or 56,905 9L cases) and it sold the remaining 7% in the UK. Of the latter figure, the Tomatin single malt contributed 4,498 9L cases, Cu Bocan contributed 576 cases. The remaining 385 9L cases were its blends (Antiquary Deluxe Blend and Big T). Mr Bremner accepted that these figures supported the position that 90% of the pursuer's product was exported and its sale of single malts within the UK amounted to only 7% of its sales.

[62] While the pursuer's Mr Bremner resisted the description of the pursuer as a "small player" in the UK whisky sector, this was the common view of the other witnesses, including both experts, who gave evidence on this point. (I address the issue of the pursuer's reputation below.)

*Spreadsheet of global sales of 9L cases of "prestige" and "prestige plus" categories of single malt whisky*

[63] A spreadsheet of global sales of 9L cases of "prestige" and "prestige plus" categories of single malt whisky was also produced. The single malt whisky industry divides the sale of whisky into different categories, based on the price point. The highest band contains "prestige" and "prestige plus" bottles, categories derived from IWSR. The witnesses' evidence was not entirely consistent but, broadly, the "prestige" and "prestige plus" were, respectively, anything above £100 and £200 a bottle.

[64] On this spreadsheet, which also covered the years 2015 to 2019, Tomatin ranked 6<sup>th</sup>, with combined sales of 9L cases of "prestige" and "prestige plus" categories of single malt

whisky as follows: 2015 (8,700), 2016 (9,200), 2017 (11,200), 2018 (11,000) and 2019 (11,000).

By contrast, the largest three brands (The Macallan, Glenfiddich and Balvenie) each had shares that were many multiples of Tomatin's. The 2019 figures, for example, record sales by these three of 9L cases as 128,800, 42,200 and 38,900 respectively.

*Breakdown of the pursuer's turnover by source*

[65] The pursuer's total sales may also be analysed in terms of the type of product: namely, whisky for blending, and the various expressions of single malt whisky. The most relevant from the perspective of brand awareness and reputation is its range of single malt whiskies. In 2019, the pursuer exported 56,905 9L cases of single malt (93% of this product) and sold the remaining 7% (or 4,498 9 litre cases) of single malt whisky product to the domestic UK market.

[66] The parties used different sources (audited or management accounts) and produced different analyses of the pursuer's turnover and the breakdown into categories of product. The difference in the parties' figures is not material. The pursuer's turnover in 2018 was around £17.735 million (based on its management accounts). On the pursuer's figures, spoken to by Mr Bremner, the pursuer's UK sales accounted for 10% of its total turnover, half of which was generated by the Visitor Centre and which was the pursuer's most profitable business. In absolute numbers, the sales figures achieved through the Visitor Centre in 2018 were stated as £1.038 million. The pursuer's non-Visitor Centre UK sales were stated as £1.38 million.

*The Inquiry Report of the Visitor Centre*

[67] The defender instructed an inquiry agent, John McGowan, who visited the Distillery in October and provided a report (“the Inquiry Report”). His witness statement, including his adoption of the Inquiry Report, was agreed. He described the Distillery in relation to the A9 (he took the photos of the signage on and near the A9, reproduced above, at para [52]), and in relation to the village and the Site. He produced photographs of the signage within the Distillery and noted that there were no signs indicating the availability of refreshment, food, beverages or other services not directly concerned with the sale of Tomatin whisky or souvenir products. Prior to the tour of the Distillery, Mr McGowan was shown a 15 minute film, shown in a small area he described as being a “small store room converted into a makeshift theatre”, about the natural merits of the surrounding area for whisky distilling. The tour included a history of the Distillery, a tasting stop at which the pursuer’s Cu Bocan brand was also featured, as well as other blends such as The Antiquary, and an explanation of the process of distilling and barrelling. It concluded in the bonded warehouse. Mr McGowan asked the guide if the Distillery hosted functions such as weddings or corporate events. The guide explained that while some distilleries did that, the pursuer’s “sole concern is the making of whisky” and the only thing the pursuer did was do tours.

After the tour, they were taken to the Visitor Centre. The outside of the Visitor Centre is shown below:





[68] Mr McGowan described the Visitor Centre as laid out as a shop, in the shape of the letter “L”, with a counter and till, and a display of bottles of various types of whisky at various stages of age before bottling. His photograph of the interior was as follows:



There was no till at the bar area where the whisky bottles were displayed. The bar area appeared to be designed to accommodate the tours which involved more tasting and sampling. There were no catering facilities or drinks facilities other than the samples of whisky provided as part of the tour (and during which small miniature bottles were given away). He described the items offered for sale (see para [x], above) and noted that the only foodstuffs were souvenir boxes of whisky fudge.

*Layout, capacity and facilities at the Visitor Centre*

[69] Several of the pursuer's witnesses spoke to the retail offering at the Visitor Centre (ie items falling within Class 35 of the Additional Classes). Photographs were also produced of branded items offered for sale. While the retail offer appeared to vary over time, it has included: small ceramic jugs, coasters, miniatures; beanies, rubber bar mats, shoppers, glassware, wooden keyrings, magnets, pin badges, fudge, whisky-flavoured tea, a "Highland Glen" candle, as well as a few whisky guide books. There were scarves and lampshades in the Tomatin tartan, (though the labelling affixed was discrete). The pursuer's position, which was not challenged at the proof, was that a substantial proportion of those goods (and its other services at the Visitor Centre) were provided under the Marks. The defender's challenge was to the relative paucity or low-volume of the branded retail offering.

[70] As bar and leisure facilities is another one of the Additional Classes (Class 43), I note the nature of those facilities at the Visitor Centre. The shop in the Visitor Centre had a small bar area adjacent to it with space for three or four bar stools. The drinks displayed behind it were different expressions of Tomatin whisky. There was a separate small self-service coffee machine. (The defender's inquiry agent Mr McGowan, did not note these at the time of his visit, but it is likely that this was removed as a consequence of the pandemic (to minimise contact by the hands of many visitors).) Some other soft drinks and coffee are also offered. The spreadsheet of these sales for the period from 29 March 2019 to 9 March 2020 disclosed a total of 61 sales, 45 of which were less than a pound. On a rough estimate, sales of these types of beverages amounted to less than £100 for that 12 month period.

[71] The Visitor Centre also offers a video about the Distillery (which parties treated as falling within education, Class 41). In 2012 a toilet block was added, which enabled the

pursuer to increase the size of the shop and to add a small bar area in the still house where customers could enjoy a dram. The Visitor Centre had about 34,000 visitors in 2019. A board presentation of the pursuer, dated 24 April 2018, indicated the pursuer's long-term aim was to reduce numbers at the Visitor Centre with a view to easing congestion and improving the quality of the visitor experience. Mr Bremner was one of the pursuer's witnesses who confirmed this.

[72] The pursuer regarded the Visitor Centre as the centre of its brand-building exercise. It is also the only location from which the goods and/or services under the Additional Classes were offered. From the time of the opening of the Visitor Centre, in 1992, the pursuer has sold its whiskies and branded point-of-sale items (such as baseball caps and scarves) there. Over time the pursuer has increased the items to which it has applied its name and the insignia of hogshead and rampant lions. The pursuer's several witnesses with marketing experience explained that the insignia were regarded as creating an association of wealth and prestige.

*Analyses of sales from the Visitor Centre*

[73] On Mr Bremner's evidence, the vast majority of sales at the Distillery's Visitor Centre was Tomatin-branded Scotch whisky. On his evidence, in 2017 and 2018 sales of branded promotional items totalled £70,000, and dropped to about £50,000 in 2019. Distillery tours generated £220,000 in 2017, £260,000 in 2018 and £190,000 in 2019.

[74] The defender produced its own breakdown of the revenue generated at the Visitor Centre in 2019 (derived from production no 7/51, but not subject to challenge). This brought out the following:

- 1) Whisky sales made up 70.77% of all sales at the Visitor Centre;

- 2) Distillery tours made up a further 20.04% of all sales;
- 3) Branded goods (other than Scotch whisky) accounted for 5.77% of all sales at the visitor centre.

Mr Bremner accepted these figures and that the value of non-whisky branded items sold from the Visitor Centre in 2019 was around £50,000 (or less than £1.50 per person from each of the 34,000 visitors in that year).

*The evidence the pursuer relied on to establish brand reputation of Tomatin*

[75] The pursuer's position is that it uses the Marks in the course of its business and, in particular, on goods and in advertising, signage, marketing material and internet websites, including the website at [www.tomatin.com](http://www.tomatin.com). It contends that the "TOMATIN" brand is a household name, recognised throughout the United Kingdom, Europe and internationally and it has a reputation for excellence and quality. In support of that contention, it relied on the following evidence:

- 1) The pursuer generated a turnover in the UK in respect of single malt whisky sold under the Marks, including sales made at the Visitor Centre, of approximately £9 million for the 2018 - 2019 financial year;
- 2) The Scotch whisky sold by the pursuer under the Marks has achieved a significant number of awards and accreditations, including 11 awards at the 2019 San Francisco World Spirits Competition, seven of which were Double Gold awards and the remaining four were Gold. (A schedule detailing the awards won by TOMATIN Scotch whisky since 2006 is produced.);
- 3) In terms of market share, the pursuer is the 25<sup>th</sup> largest Single Malt Scotch Whisky brand globally and the 39<sup>th</sup> largest Single Malt Scotch Whisky brand in the

UK. In its top five international markets, the pursuer's rank with respect to market share is 18<sup>th</sup> in the USA, 7<sup>th</sup> in Japan, 4<sup>th</sup> in Israel, 8<sup>th</sup> in Russia and 15<sup>th</sup> in Germany.

[76] By way of illustration of the steps the pursuer takes to increase its brand awareness and its reach, it was explained that in the last few decades, the pursuer used its Word Mark in association with its bulk sales of raw spirit to independent bottling companies who, since the advent of labelling requirements, have also required to put the Tomatin name on the labels. The online directory ([whiskybase.com](http://whiskybase.com)) detailed 1,088 different expressions of Tomatin.

[77] The pursuer also led evidence of other non-traditional means of increasing awareness and appreciation of its product. This included training and consultancy services to bartenders and mixologists serving its whisky. The pursuer also sponsors and runs pop-up bars at Scottish festivals and UK-wide food and drink industry events. In association with local events or collaborations, it may release limited edition expressions and it further promotes these on its social media (photographs of these posts across the pursuer's Facebook and Twitter pages were produced), by a blog published on the pursuer's website and the use of social media influencers. It also uses a PR company, which will promote publicity (eg for the release of a new expression). The pursuer collaborates with chefs and other food and drink manufacturers in providing tasting menus, gourmet food menus and events. It has its own YouTube channel, on which it posts films which have been developed for educational purposes and are used to train staff and retailers. The pursuer also provides information on stockists on its website. The pursuer's distributors were described as playing "a key role" in the promotion of Tomatin as a brand. The pursuer suggested that it offered financial support to its UK-based distributors, however the only figures provided

(and spoken to by Ms Masson) were all-inclusive of the pursuer's global spending. There was no breakdown of this figure according to the types of support or markets supported. To the extent that this was touched on by the retailers, the support involved the provision of modest souvenir items or a time-limited discount as part of a promotion. It has created an app which provides users with a virtual tour of the Distillery and guided tastings. The pursuer shows educational films at the Visitor Centre. It also provides tours of the Distillery, which are said to educate visitors as to the manufacture, production, sale, history and consumption of distilled spirits. The pursuer also runs off-site educational events which provide a similar service without a physical tour of the Distillery.

[78] At the Visitor Centre the pursuer operates what Mr Bremner described as "a bar and merchandise retail store", where alcoholic and non-alcoholic beverages, food stuffs, printed matter (eg calendars) and branded and unbranded merchandise were sold. Visitors did not have to take part in a tour to access these facilities. On Mr Bremner's evidence, the pursuer hosted entertainment, conferences and educational events at the Distillery.

[79] In light of the foregoing, the pursuer asserts that it has a reputation for *inter alia* the provision of these goods and services under the Marks and that the 2018 Marks are already being used in respect of the majority of the goods and services for which they are registered. In support of the latter contention, the pursuer led evidence of its 2017 and 2018 Marketing Reviews and the pursuer's 6 month marketing report for the period January to June 2020, which were said to show extensive use of the 2018 Marks.

[80] In relation to those classes covered by the 2018 Marks but in respect of which the pursuer has not yet engaged in any activities or offering (eg restaurant services), the pursuer's position is that, to the extent that any of the goods or services listed in the registrations of the 2018 Marks (recorded at para [3], above) are not currently being offered

by the pursuer under those marks, they represent goods or services which would be considered a natural expansion of the pursuer's commercial undertaking. (The defender founds on the absence of this offering as part of its case in the counterclaim for invalidation of the 2018 Marks on the bad faith ground.) The pursuer's position is that it intends to undertake that expansion within the period of 5 years from the date of completion of the registration procedure, as permitted by the Act, and that it is common practice for distilleries to make an initial trade mark filing in class 33 for Scotch whisky and then to make further filings in Additional Classes as their trade offering expands.

*Development proposals for the Site by Braemore Estates and by The Tomatin Trading Company*

[81] There is an extensive planning history for the Site. The proposals for the Site have evolved over time. As there was some reference to the design of the buildings in earlier planning applications and the different names of the trading entity, I should record the various applications the defender has made. Planning permission was first sought, in the name of Braemore Estates, in about March 2007 ("the 2007 planning application"). Braemore Estates lodged a second planning application in June 2012 ("the 2012 planning application"). The third, and most, recent planning application, made in the name of "Tomatin Trading Company C/O Braemore Estates", was lodged in March 2018 ("the 2018 planning application"). The name of the proposed Development used at that time was "Juniper Village", to reflect the meaning of "tomatin" in Gaelic, "hill of the juniper". The Development has not been commenced. Consent for the Development was granted in late 2018 ("the 2018 planning consent"). While a pagoda element featured in an earlier application (a pagoda chimney is a common feature of some distilleries), that element was

not included in the 2018 planning application. From about early 2018, Mr Frame began to promote the Development via the vehicle of the defender, and to style its proposed name as “the Tomatin Trading Company”. (The defender relies on the pursuer’s knowledge of the media coverage it generated in March 2018 as part of its case that the 2018 Marks were lodged in bad faith, and which it seeks to challenge in the counterclaim.)

*The evidence of the parties’ experts on the issue of Tomatin as a place*

[82] The most significant chapters the parties’ experts spoke to were their researches as to Tomatin as a geographic or place name, and the reputation of the pursuer’s brand in the UK. It is convenient to record their evidence on these matters, as a body of evidence. Given that in their evidence on the latter chapter they make frequent reference to the evidence of some of the witnesses to fact, I will record their evidence on brand reputation after noting the evidence of the parties’ factual witnesses on contested matters. I record below the experts’ evidence on the first matter, before turning to the evidence of the parties on the contested chapters of evidence. I first note their respective credentials and experience.

*Mr MacLean*

[83] The pursuer led Charles MacLean, W.S., M.A., LL.B, a well-known authority on the history and sensory evaluation of Scotch whisky and author of numerous books on that subject. He is also a “Master of the Quaich”, an accolade accorded by one of the trade bodies within the Scotch whisky industry.



*Mr Russell*

[84] The defender led Iain Russell, who has worked in the whisky industry since 1989. In that capacity, he has had experience in marketing, intellectual property-related matters, and as a researcher, archivist and brands heritage manager, principally with Chivas Regal. He is also a Keeper of the Quaich.

*The use of Tomatin as a geographic name: Tomatin Estate, Tomatin village and the Distillery*

[85] There was a significant amount of evidence about the historical use of “Tomatin” as a geographical name. Both Mr MacLean and Mr Russell undertook researches, as requested by their respective instructing agents, into the use of the word Tomatin as a place name.

While both are experts in the qualitative assessment of the attributes of whisky, the development and nature of whisky as a product, neither professed to have any qualifications in history or any special expertise in the history of the part of the Highlands in which the Distillery and the Site are situated. In large measure, the differences between Mr MacLean and Mr Russell on this issue were not, truly, matters of expert opinion, but arose because they used different historical sources: Mr MacLean consulted gazetteers and clan histories, whereas Mr Russell had reviewed the newspaper archive held by the British Library (and accessible via the National Library of Scotland’s online portal). The principal difference between Mr MacLean and Mr Russell was their assessment of the nature of Tomatin village.

[86] While it was uncontroversial that the Tomatin Estate (dating from the 17<sup>th</sup> century) existed before the Distillery (which was founded in 1897) and that it was likely that the Distillery took its name from the Estate (from whom it had bought the land), the parties

differed as to whether Tomatin village existed before the Distillery. When an earlier source containing such a reference was put to a witness, the witness generally acknowledged it.

Examples of the earlier sources put, included the following:

- 1) The reference to the Freeburn Inn serving as a coaching inn for 150 years (and which had stood on the Site before the Little Chef had replaced it), from *The National*, dated 22 March 2018;
- 2) The report from the Inverness Courier, dated 18 May 1854, noting the opening of a sub-post office at “Tomatin”;
- 3) The report of 21 July 1900 of the rebuilding of Tomatin Free Church to replace the building built in the 1840s; and
- 4) The reference to the “little village of Tomatin” in an article from the *Highland Journal* of 20 November 1896 about the Tomatin viaduct, which had become a feature in its own right.

Accordingly, I do not repeat all of these materials. I summarise the experts’ own researches of the use of the name “Tomatin” as a place name.

*Mr MacLean’s evidence on the history of Tomatin as a name and place*

[87] Mr MacLean produced a principal report and a supplementary report responding to the report of Mr Russell (the defender’s expert). In an appendix to his principal report Mr MacLean listed the 15 published source he consulted. Eight of these are specifically whisky-related histories, encyclopaedias or handbooks. The other seven are more general histories, guidebooks, clan histories and gazeteers, of which the most well-known is *Groome’s Ordinance Gazeteer of Scotland* (“Groome”). (I have omitted most of his specific references.) He noted the reference to “The lands of Tomatin” in a feu charter dated

December 1639 granted by the Earl of Moray to one “Bean McConnill vic Gillepatrick” (whom he notes was “the father of the Tomatin branch of the Macbean/MacBain family”) and the subsequent sale of the Estate (sometimes called “the small estate of Free”) in 1861 to the Macbeans of Tomatin at that time. In a reference to the “Inn of Freeburn”, mention had been made to “post office of Tomatin”. He noted a further reference (from *Groome*) to “post office and general merchant shop within a mile of Tomatin House”. From this he concluded that late 19<sup>th</sup> century gazetteers make no mention of a “village” at Tomatin and “in all probability it was a hamlet or ‘ferm toon’”.

[88] In his supplementary report, Mr MacLean returned to the topic of the history of Tomatin, and responded to the findings in Mr Russell’s report, as follows:

“In support of his conclusions and opinion (paragraph 13.01), Mr. Russell points out that there was a toll-bar and a sub-post office on the site (paragraph 3.01). Having a toll-bar and a sub-post office on the main road to the north, named after the estate upon which they stand, does not imply a ‘village’, nor is it clear where exactly the toll-bar and sub-post office were located.

Mr Russell also mentions the Freeburn Inn as a staging post and providing accommodation for travellers (paragraph 3.01). This hostelry was built on Tomatin Estate, but a quarter of a mile from what became Tomatin village.

At paragraph 3.02, Mr Russell points out that the first mentions of ‘the village of Tomatin’ appear in the *Aberdeen Journal* 20 July 1896 and the *Elgin Courant* 23 July 1897 (cited in Mr Russell’s Appendices 7 and 2). These were in connection with current building work related to the viaduct and railway station. Earlier mentions of ‘Tomatin’ might be understood to refer to the estate. I note that the *Aberdeen Journal* excerpt refers to ‘the little village of Tomatin’.

In her authoritative historical essay *About Strathdearn*, Anne Glynne-Percy, the owner of Tomatin House, writes of Tomatin as being a ‘parish’ and a ‘community’ until the railway station was built (1896) and named after the estate:

‘The railway was the next mode of transport to the Highlands and the Strathdearn link from Aviemore to Inverness was completed in 1896... When the station was built the railway company needed a name for it so, the proprietor of the most disrupted estate was asked if it could be known as ‘Tomatin’, to which Mr MacBean readily agreed’.

Before the distillery was built the name 'Tomatin' will have been known only locally, and to a few sporting tenants on the Tomatin Estate.

I accept Mr Russell's remark at paragraph 3.04 that the description of Tomatin as a 'community' or a village might be merely 'semantic', but the point is that the community/village grew up on account of the distillery and is synonymous with it. In fact the village was largely built by the distillery to provide houses for its workforce, and still today it owns thirty cottages which are let to members of staff.

At paragraph 3.02, Mr Russell cites an article in the *Banffshire Herald* (1894) and claims that Tomatin was "a popular destination for excursions from Inverness". My contention is that the 'popular destination' is more likely to be the estate rather than the village. I would also contend that basing the claim on a single 'excursion' does not imply popularity: Mrs Glynne-Percy makes no mention of such 'excursions' although she does stress the importance of the place for shooting parties:

'Before the war I remember the excitement at Tomatin Station in August when the 'sleeper' train stopped, and passengers descended, guns and accoutrements, staff, then dogs from the guard's van, to be met by transport called 'shooting brakes' to convey their parties to the various lodges up the glen where all awaited their comfort, warmth and Highland hospitality... Industry came to Tomatin in 1897 with the building of the Distillery... [for which] the railway was also a boon, with a short spur going from the station to the distillery. Houses were built to accommodate employees, mostly local men and their families, which was a welcome opportunity for steady work, as sport was only seasonal'.

In its *Strathdearn Community Planning Study 2011*, the CADISPA Trust [Conservation and Development in Sparsely Populated Areas] explored, *inter alia*, 'ways to establish Tomatin and Moy as tourist 'destinations' in their own right', clearly implying that they are not currently seen as such. This report was sent to me by my instructing solicitors and is lodged as production 7/43 (see p.29 item 28)."

From this he concluded, slightly more categorically than in his first report, that:

"the 'village' of Tomatin was little more in the than a hamlet in the late 19<sup>th</sup> century. Some buildings were erected on the arrival of the railway (1896) and more were built by the distillery to house its workforce (1897). To this day the majority of the workforce live locally, in cottages owned by the distillery. Both the railway station and the distillery took their name from Tomatin estate, on which they were built – **not from a village, which did not exist at the time.** It was owing to these developments that the village came about." (Emphasis added.)

[89] The cross-examination of Mr MacLean, insofar as relevant to this topic, elicited the following evidence:

- 1) In relation to “Tomatin” as a place name, he remained of the view that it was not a place name among the general public. However, under reference to the 2019 Transport Scotland Report providing traffic flows (that between May and September more than 11,000 people a day pass the Tomatin junction), he accepted that Tomatin was pictured on the map in that report and that most of those who passed on the A9 (and whom he accepted were not single malt whisky consumers) would associate “Tomatin” with a place, specifically the junction, and not with the Tomatin Distillery. The majority of those passing would associate “Tomatin” with a place;
- 2) He also accepted that some of the newspaper reports of March 2018 about the Development contained repeated references to the Tomatin junction and some also referred to Tomatin village. None had referred to or named the Distillery. He also accepted that it was reasonable for the Development to use “Tomatin” in its name, as a way to identify that it is located at the Tomatin junction;
- 3) When some of the press cuttings appended to Mr Russell’s report pre-dating the founding of the Distillery and referring to a “Tomatin village” were put to him, he accepted that there were references to a Tomatin village.

*Mr Russell’s evidence on the history of Tomatin as a name and place*

[90] On the issue of whether Tomatin was an established place name before the Tomatin Distillery was founded, Mr Russell recorded the fruits of his own research, as follows:

**“3.01** According to the whisky writer Tom Bruce-Gardyne, Tomatin ‘has always been a staging post on the main north road, if not always with a gift shop and car park.’ (Charles MacLean (Editor-in-Chief), *Whisky* (Dorling Kindersley, London, 2008), p97).

This road, from Inverness to Perth, provided the main line of communication between the Scottish Highlands and the Lowlands. There was a toll bar at Tomatin, mentioned in 19<sup>th</sup> century newspaper notices (eg: *Inverness Courier*, 25 April 1838) along with toll bars at other places along the route including Carrbridge, Aviemore, Newtonmore and Dalwhinnie. Tomatin would have been well-known to travellers who had to stop to pay a toll fee there, in order to use the road.

The Freeburn Inn (later known as the Freeburn Hotel) at Tomatin was a 'stopping place for changing horses in the old coaching days (*Elgin Courant* 23 July 1897). It also provided accommodation for travellers wishing to break their journey at Tomatin, to stay overnight or for refreshment. Latterly, it became the headquarters of the Cyclist's Touring Club. It remained a well-known landmark in the area until it closed in the 1960s. (see the entry on Historic Environment Scotland's Canmore site, <https://canmore.org.uk/site/100469/tomatin-freeburn-hotel>)

**3.02** Charles MacLean says in his report (4.02) that, in the late 19<sup>th</sup> century, Tomatin was 'in all probability... a hamlet or a 'ferm toon.'. **In fact Tomatin was a well-known staging post on the great north road with its own post office and telegraph office. It was also the social centre of the local community.** New Year gatherings were held there for the people of Strathdearn, where there were shinty matches and other forms of sport and entertainment hosted by the local laird, who lived at Tomatin House (*Inverness Courier* 18 January 1855 and subsequently).

A sub-post office opened at Tomatin in 1854 (*Inverness Courier*, 18 May 1854) 'under the care of Mr John Macdougall, merchant'. There are many references in later years in local newspapers to the post office and a mail service at Tomatin. The presence of a post office, with its shop and money office, indicates the importance of the place to the local community in Strathdearn. (see photographs on-line at <https://her.hIGHLAND.gov.uk/Monument/MHG21692> )

In addition, villagers could worship at the Tomatin Free Church, erected after the Disruption in the 1840s and rebuilt in 1900. **Again, the presence of a church is an indication of Tomatin's significance in the local area.** (*Highland News*, 21 July 1900, see also 19<sup>th</sup> century postal directories)

The area was already known for its natural beauty and a newspaper report suggests **Tomatin was a popular destination for excursions from Inverness** (*Banffshire Herald* 21 July 1894)

The Aviemore & Inverness Railway opened in 1897. It may be significant that the *Aberdeen Journal*, in its article about the building of the line on 20 November 1896, did not mention a distillery in its reference to the benefits that the new railway would bring to 'the village of Tomatin.' (It did however mention the possibility that housebuilding and tourism would be encouraged by the opening of the station. (I note the use of the term 'the village of Tomatin' by a Scottish newspaper in the late 19<sup>th</sup> century: this provides an alternative view to that of Charles MacLean, in his

Report (4.02), that 'late 19<sup>th</sup> century gazetteers make no mention of a 'village' at Tomatin and in all probability it was a hamlet or a 'ferm toon').

**3.03** After the opening of the distillery, Tomatin continued to feature in newspaper reports unrelated to whisky. A report on the development of facilities aimed at transforming Tomatin to a summer holiday resort appeared in the press in 1903 (*Northern Chronicle*, 4 March 1903), decades before the development of a resort at nearby Aviemore.

Indeed, the *Northern Chronicle*, in an article about proposals to build a golf course there, described Tomatin on 19 October 1904 as 'this popular summer resort.' The story of the Tomatin Golf Club is told here:

<https://www.forgottengreens.com/for-gotten-greens/invernesshire-ardersier/tomatin/>

**3.04** Charles MacLean refers in his Expert Report (4.04) to a Dutch cataloguer of an Italian whisky collection who has described Tomatin as a 'community', when cataloguing old Italian bottles of Tomatin. I believe this to be a case of semantics – Tomatin is a place and the location of homes and businesses, whether one prefers to call it a village or a community.

However, it seems that at least one senior executive at Tomatin in the 1980s preferred to call it a village: John Buchanan, Norman Case and Emery Gellert wrote in their book *Scotch Whisky: The Single Malts* (Sydney, 1981), p138, that the distillery was established 'in 1897 near the village of Tomatin'. According to their acknowledgements, p2, the information came from Peter Wright of Tomatin Distillers Company Ltd (TDC), who supplied information for the book. Mr Wright was managing director of TDC.

**3.05** I believe that Tomatin's **reputation as a stopping place for travellers on the A9 continued in recent years, with the opening of a Little Chef and filling station in the 1980s.** It closed in or about 2004.

I have examined the evidence supplied by the Private Investigator (7\_5) and note the photographs of the Tomatin Country Inn (2010), Tomatin Country Store (2009), and the Tomatin Village Store (2011 and 2015). I note also that in December 2020 there is a website for the Tomatin Village Shop (<https://thestrathdearn.org/local-info/tomatin-village-shop/>).” (Emphasis in bold added.)

From all of this he concluded:

**“Tomatin is a village in the Highlands of Scotland, with a long history as a focus of the local community, a staging post on the road between Inverness and Perth, a communications centre and a place of retail and service businesses, all of which pre-date the construction of the Tomatin Distillery.”**

And in relation to the Tomatin Distillery, he concluded:

“The Tomatin Distillery was named for the place in which it was built, by businessmen who included a Tomatin-based merchant.”

[91] In respect of the history of Tomatin Distillery, Mr Russell disagreed with the assertion “that it was customary for places to be named after whisky distilleries” and he provided a host of examples where the distilleries were in fact named after the place where they were situated. His researches into the history of the Tomatin Distillery disclosed the following:

“**4.03** When the Tomatin Spey District Distillery Company Ltd was registered in 1897, one of the shareholders was listed as John MacDougall, a **merchant of Tomatin** (*Highland News*, 12 June 1897). MacDougall’s obituary mentions that he was the son of **the Tomatin schoolmaster, began in business at the age of 17 in Tomatin**, and developed a business as a ‘general merchant’ that was ‘second to none in the Highlands’. (*Northern Chronicle*, 1 December 1909).

The invitation for tenders for the work involved in building the distillery was published in 1897. It made clear that the distillery was to be built ‘near’ Tomatin, indicating that the place would have been recognised by local tradesmen. Tradesmen who wished to view the plans and specifications of the distillery were directed to John MacDougall **of Tomatin**. (*Inverness Courier*, 23 April 1897).

This well-known Tomatin businessman played an important role in the establishment of the distillery.” (Emphasis added.)

[92] One of the pursuer’s witnesses, Scott Adamson, who is a graduate in Scottish History from the University of the Highlands and Islands, had stated that the Distillery pre-dated the village. However, under reference to a number of sources (noted above) containing references to the village of Tomatin, its post office and the Free Church, he accepted that his conclusion had been based on limited sources, and was wrong.



*The history of Tomatin as a name and place: conclusion on the evidence*

[93] While this issue was dealt with extensively in Mr MacLean and Mr Russell's reports, their principal differences may be explained by their resort to different types of historical materials. Mr MacLean confined himself largely to secondary guides, whereas Mr Russell undertook a search of a database of contemporaneous materials in the form of the British Library's digitised newspaper archive. In light of those materials, it is undoubtedly the case that Tomatin village existed before the Distillery was founded, and was referred to on occasion as a village. The existence of a post-office and Church are also strong *indicia* of a settlement which was more than a "'ferm toon' or hamlet", as Mr MacLean contended.

[94] Mr MacLean's occasional categorical assertions that the Distillery preceded the village was a matter he inferred from the absence of any reference in the materials he relied on, but was made without consideration of the kinds of materials Mr Russell had reviewed. His assertion that the Distillery built the village was an overstatement and inconsistent with the documentary evidence that the village preceded the founding of the Distillery. When the materials evidencing an earlier usage of Tomatin as a place name for the village were put to Mr MacLean, he accepted them.

[95] It is for these reasons that, on this matter, I prefer the evidence of Mr Russell, and his conclusion that Tomatin village was a place in its own right for years before the Distillery was founded. The fact that one of its founders had been described as a "merchant of Tomatin" reinforces the historical priority of Tomatin village, and is at least suggestive that the Distillery's name was taken from the village or the Estate (the area is known as Strathdearn). While it is no doubt the case that the village grew as a consequence of the creation of the Distillery and its provision of housing for its workers, the defender has established that Tomatin pre-dates the founding of the Distillery as a geographical place-

name and that the village existed, and was identified as Tomatin village, before the Distillery was established. I reject the pursuer's proposition that the Distillery gave its name to the village.

[96] In any event, while the parties focused on the question of the priority historically of the village relative to the Distillery, in my view this is of secondary importance, if, since that time, Tomatin has become known generally to members of the public as a place or places (the village or the junction, or both). It is for that reason also that I prefer the evidence of Mr Russell. He alone addressed the pertinent issue of the awareness of Tomatin as a place in modern times, in particular by reason of it as a convenient stopping place on the A9 and the presence of travellers' services in the form of a fast food restaurant and petrol station (until those closed). It was not the primary usage of Mr MacLean or Mr Russell, but it was noticeable at the proof that the witnesses familiar with the area readily referred to the junction as "Tomatin" junction, which is indicative that it is a discrete place known by that description. In cross-examination, Mr MacLean accepted this under reference to the STS traffic figures. On the STS road traffic data from 2019, an average of nearly 11,000 drivers travelling on the A9 passed the junction every day (the figure was higher for the summer months and lower at other times of the year; by contrast, the Distillery attracted 34,000 visitors in a year. (That is, of course, a separate matter from the reputation or goodwill in the pursuer's use of Tomatin in association with its products, but I am here considering the issue of Tomatin as a geographic designation.)

### **The parties' Notes of Objections**

[97] As is clear from the parties' respective Notes of Objections, many of the witnesses to fact purported to express a view on matters which were more properly matters of opinion

evidence or purported to state a conclusion on matters that were properly for the court to determine. I have upheld the objections *quoad* these matters. In any event, even had I not excluded this evidence, I would have accorded it very little weight as, generally, it was partisan in nature or spoken to by a witness who lacked a credible or cogent basis for the view or conclusion stated.

[98] As I have just recorded the evidence of the experts on the question of brand reputation, it is convenient next to record the evidence of the two retailers led by the pursuers.

### **The pursuer's proof**

#### *The evidence from the retailers*

[99] The pursuer led the evidence of two retailers: Brian Gibson, a specialist wine and spirits retailer trading from a physical store in Dumfries, and Guy Hodcroft, a buyer for the online drinks retailer, Master of Malt.

#### *Brian Gibson*

[100] Brian Gibson is the joint managing director of T.B. Watson Limited ("TBW"), a specialist wine and spirits retailer in Dumfries since the 1950s. Mr Gibson is also a Keeper of the Quaich. Mr Gibson has worked with TBW since 1982. He stated that its customer reach was world-wide, although it sold most of its products in the UK, and its biggest group of customers was from its own locality.

[101] TBW stock over 400 different types of whiskies. In addition to retailing, it also runs a club, called Drambusters, offering whisky tastings every 6 to 8 weeks. This club has been running for 20 years and currently has 271 members. While there are now virtual tastings

online, it had had members who travelled up from the North of England. TBW have also organised an annual whisky festival in Dumfries since 2010 and to which they invite about 45 suppliers, 40 of whom are whisky suppliers, to sell and promote their products. About 830 to 840 people attended when this was last held, pre-pandemic, in 2019. The pursuer has offered a raffle prize and free samples at the festival. He had visited the Distillery and taken a tour about 5 or 6 years ago, as part of the same raffle prize. He described the pursuer's staff as extremely supportive of these events. The pursuer's brand ambassador, Scott Adamson, had also given talks on the Tomatin single malt whisky range at TBW's "Drambuster" club. He was aware of the pursuer's Visitor Centre, noting that one of his own staff had purchased a Tomatin-branded polo shirt, whose quality Mr Gibson's wife had admired.

[102] The range of the pursuer's products TBW sells includes 12 types of the Tomatin Highland Malt Scotch Whisky, as well as three different types of the Distillery's "Cu Bocan" malt whisky range and two of its blended products, sold under the names "Big T" and "the Antiquary". He described the pursuer's Tomatin single malt whisky range as its second best-selling range, with a loyal following amongst his customers. He described the range as offering a single malt whisky for every budget: its entry-level malt retailed for £32 a bottle (which they discount, with the pursuer's consent, to £23). At the other end of the spectrum was a bottle of 43 year old Tomatin single malt whisky from 1975 for sale at £2,400. He believed that for that reason the Tomatin single malt whiskies attracted quite a large range of customers. He understood that it was by the pursuer's choice that its products were not generally found for sale in supermarkets and therefore it was:

"most likely to be purchased by those who are interested in whisky and who either buy it on line or in specialist shops such as ours in Dumfries, where staff can talk knowledgeably to a customer, or who is maybe wanting to try something new."

The brand also attracted “serious whisky collectors” looking to buy whisky as an investment. It was that type of customer who would buy a 43-year old Tomatin single malt whisky.

[103] Mr Gibson is clearly an ardent fan of the Tomatin single malt whisky range. A 14-year old Tomatin single malt whisky would be his “Desert Island” pick. To celebrate the length of TBW’s existence he chose a cask from the Tomatin range, which he had bottled. He was aware of the rebranding exercise the pursuer undertook a few years ago, and described it as making the product look more luxurious and eye-catching. He was also aware of the use of the 2018 Marks over the last two years. He associated the name “Tomatin” with good quality malt whisky as, he believed, would any reputable whisky merchant or whisky trade.

[104] In his supplementary statement, he rejected the proposition that Tomatin was not well-known in the UK single malt whisky sector. This was a fragmented sector. In relation to international awards, producers who won such awards, which included the pursuer, used these to market their products in the UK. He was aware that the IWSR gave out stickers and consumers understood that these were badges of excellence.

[105] In cross-examination, Mr Gibson readily accepted the following:

- 1) TBW was a specialist spirit retailer and that he was very passionate about single malt whisky generally, and about the Tomatin single malt whiskies in particular;
- 2) Those who join TBW’s whisky club were connoisseurs (albeit there were members of the younger generation keen to learn) and the general public wishing to purchase Scotch whisky did not join clubs (such as Drambusters);

- 3) Tomatin is known to single malt whisky aficionados; they are the key customers of the pursuer's brands and the consumers Tomatin has traditionally targeted;
- 4) Tomatin was not heavily promoted in the UK market in comparison with brands like Bells. The bigger brands had bigger advertising budgets. This also affected customer recognition, as the better promoted brands would be better known. The bigger brands had got where they were, and huge in the market, because of huge marketing spend over a very long time;
- 5) It was absurd to characterise Tomatin as a leading single malt whisky in the UK. In his view, the single malt whisky market was huge;
- 6) Tomatin was a niche brand known to connoisseurs. Mr Gibson thought it would be well known to established drinkers, rather than those just starting out;
- 7) He was more familiar with the UK market and, under reference to the relevant figures (that Tomatin single malt whiskies had 0.3% of the market; was ranked 39<sup>th</sup> in that market and in 2019 had sold a total of some 3,000 9L cases) He accepted that sales were a fair reflection of brand recognition by customers and that those at the top of the list (namely, Glenfiddich, Laphroaig and Glenmorangie, who had a collective market share of 24%) were better known. In his view, these distilleries had more stills and produced much more in volume, enabling them to sell more product through supermarkets. Products that sold more and through a mass retailer, like a supermarket, were better recognised by the general public. Mr Gibson contrasted that with TBW where customers came looking for something different and for guidance. He acknowledged that he was a huge fan of Tomatin and that could explain why it was such a best seller at his shop; and

8) He accepted as “fair” Charles MacLean’s description of Tomatin as “a relatively small player” in the single malt whisky market, and Mr Russell’s observation that Tomatin was “far from being one of the well-known brands of single malt whisky”. He also acknowledged that the single malt whisky segment was a very small element of the Scotch whisky market, which included blended whiskies and which took up most of the market share.

*Guy Hodcroft*

[106] Guy Hodcroft, a graduate in History and Spanish, has been a buyer for the online drinks retailer, Master of Malt for 4 years. Prior to that he had worked at Selfridge’s in-store wine shop in Manchester, on and off as a student, and with another wine and spirits retailer. Master of Malt sold a variety of alcoholic beverages, but it predominantly sold malt whisky.

[107] Mr Hodcroft described coming from a Scottish family in Aberdeenshire. His paternal relations enjoyed malt whisky, and a Tomatin single malt whisky was one of the brands they drank. He was also aware of the Tomatin brand from his time at Selfridges. It had not “leapt off the shelf” at Selfridges. Rather, customers were enticed by Selfridge’s reputation and cachet and for that reason assumed that “it must be good”. That kind of customer bought the pursuer’s entry-level brand, “Tomatin Legacy”. Selfridges had a sizeable international customer base looking for Scotch malt whiskies.

[108] In terms of Master of Malt, it stocked all of the Highland single malt whisky in the Tomatin range. There had been year-on-year increases in sales of Tomatin single malt whisky. In comparison with the prior year, the increase in sales had been 15% in 2015, 25% in 2016, 20% in 2017 and 25% in 2018. 2019 had not been typical because of licensing issues

in the US. The increase in 2020 (over 2019) was 45%, though he attributed some of this to the general shift to online sales caused by the pandemic.

[109] He was aware of the refresh of the Tomatin brand in 2014, which he believed contributed significantly to its growth. The bottle size and shape had changed; now it was curvier and had an indentation bearing the Tomatin hogshead motif. Each expression had a different colour and the age was printed on the label and on the foil. He described the brand refresh as coinciding with the period when the pursuer wished to make “more of a noise” about the Tomatin brand. He recalled from a publication aimed at the US market, “Whisky Advocate” that Tomatin had taken out advertising to promote the new livery.

[110] In terms of brand awareness, in his view, while Tomatin single malt whisky “might not be massively well known to the general public”, anyone who knew a little bit about malt whisky was likely to have heard of it. Within the whisky community, which he described as “the whisky industry and whisky connoisseurs”, it had a very good reputation. He noted that there was always a great interest in any new expression of a Tomatin single malt whisky. These generally sold out. He regarded that factor, together with how quickly it might sell out, as two good indicators of how well received a product was. Master of Malt might engage in promotions, including for Tomatin. These would be coupled with discounts, which would be posted to Master of Malt’s Facebook, Twitter and Instagram accounts, and circulated the 100,000 customers who subscribed to their email.

[111] Mr Hodcroft described other means used for the promotion of Tomatin. These included giveaways of free samples, and a competition (the prize for which was a tour at the Distillery). The pursuer usually took a stand at the annual whisky show in London. Insofar as he was aware of other Tomatin-branded products, he had been sent a Tomatin whisky glass in 2015. He had not visited the Distillery in person. (He could only guess, not know,



the kinds of items it might sell.) He offered the view that it was not uncommon for Scottish distilleries to bear the name of the village situated near to them; and that often no-one will have heard of the village in question but for the fact that there was a distillery there. This was the case for him, in respect of Tomatin village.

[112] In his supplementary statement he responded to comments made in statements from Mr Frame and Simon Bath (to the effect that with a market share in the UK of only 0.3%, Tomatin did not have a reputation in the UK). In his view, market share and reputation could not be correlated in this way, as bulk sales do not always correspond to quality. In any event, in his experience, distilleries producing single malt whiskies focused their efforts on the international market. He referenced the figures from the Scottish Whisky Association ("SWA") that the international blended and malt market was worth £4.9 billion in 2018. The UK market was £2.3 billion in the same year, of which single malt whisky comprised £398.86 million. He regarded the UK market for single malt whisky to be mature and fragmented. While Tomatin's market share was only 0.3%, this did not mean that Tomatin did not focus on its UK market as well as its international one.

[113] In Mr Hodcroft's cross-examination, which was brief, he accepted that he knew whisky better than the average consumer, and that the typical customer who bought through Master of Malt was more of a connoisseur and more knowledgeable about whisky than the general public. He understood that traditionally the pursuer's marketing strategy was to use specialist retailers, such as Master of Malt. He accepted as accurate Charles MacLean's observation that Tomatin single malt whisky was known to whisky "aficionados" and that they were the "key consumers" of the brand. This reflected his own retail experience of the Tomatin range. In Mr Hodcroft's view, Tomatin had a very loyal following and also attracted drinkers with more catholic tastes who wanted to explore

quality single malt whiskies from Scotland and around the world. He also accepted that Tomatin single malt whiskies were not as heavily promoted as the leading brands, such as Glenfiddich, and that they really did not stand in the same category as those brands, because they were not advertised or promoted in the same way. He also accepted that the market in Scotch whisky was divided into many different segments (including blended, single grain, blended grain and so on). Within the Scottish market for malt whisky, the sale of single malt whiskies was relatively small in terms of volume of sales, but not in terms of value. Tomatin was not a major brand in the Scottish whisky market; it was not like Johnny Walker.

Tomatin was not as heavily marketed as the market leaders (such as Glenlivet) or near such brands in terms of brand awareness. Brand awareness was hard to define. Tomatin was certainly not as heavily promoted as other brands.

[114] The global and UK sales of single malt whisky spreadsheets were put to him (see paras [59]ff, above). In relation to Tomatin's rankings in the global market, the brands sitting at the top half of the table were much bigger in terms of production capacity, marketing spend and popularity. In relation to UK sales, he accepted that generally the percentages reflected the brand awareness (but not necessarily quality). Generally, the higher ranked brands were better known brands among whisky drinkers. When Mr Russell's proposition was put to him, that Tomatin was "far from being" one of the well-known brands, Mr Hodcroft resisted this. This was not necessarily the case. It was relatively well known and was well known to those who had more than a passing interest. It was the single malt whisky aficionado who knew Tomatin single malt whisky well. He accepted that, if Tomatin was placed within the wider malt whisky market (ie not confined to single malt whiskies) then it was "absurd" to call Tomatin a market leader, and that this was true, whether considered from the perspective of sales or brand recognition.

*The pursuer's brand and marketing strategy*

[115] The pursuer led its Head of Brand for the Tomatin single malt whisky, Jennifer Masson, and its Global Brand Ambassador, Scott Adamson to speak to the pursuer's brand and marketing strategies. While the pursuer's managing director, Stephen Bremner also spoke to these matters, his evidence was based on these two witnesses and did not contribute anything new.

*Scott Adamson*

[116] Scott Adamson had been the pursuer's "Global Brand Ambassador" since 2018. He had previously worked for the pursuer as a regional sales manager from 2013 to 2017 and as an intern while still at university in 2012. He graduated in 2013 with a degree in Scottish History from the University of the Highlands and Islands.

[117] From about 2012 onwards the pursuer began to create a "brand story". This is because it is perceived to be the case that the modern consumer looks for "authenticity" in purchasing these kinds of goods. The brand refresh in 2016 involved both a redesign of the packaging but also a focus on the Distillery's "story" and "community". The researches Mr Adamson had undertaken in around 2012 as an intern to help build the Tomatin story included the history of the surrounding area, the Distillery and how it had expanded and evolved over time. By reason of its remote location the Distillery had built housing for its workforce to rent. The pursuer continues to own 30 of these which it rents to its workers. Mr Adamson regarded this as unique and a feature of its history to emphasise when devising and marketing the Tomatin brand's story.

[118] He described the qualities of the pursuer's brands (which includes "Cu Bocan") and blends (marketed as "Big T", "the Antiquary", the Talisman, Glenlassie, Grand Alastair, and the Legendary Scot), but his focus was on the Tomatin single malt whiskies. The various single malt whiskies that Tomatin produces included unaged labels (such as Tomatin Legacy and Tomatin cask strength), aged labels (12, 14, 18, 30 and 36-year old single malt whiskies), some limited expressions and five Tomatin single malt whiskies exclusive to the global travel market (ie airports). He also described the instances from the Distillery's records of when "Tomatin" was used, eg on bottles or newspaper advertisements. Scottish distilleries only began to produce single malt whisky from around the 1990s – although the Distillery had produced an aged single malt whisky in the 1950s – and it remained the case that 90% of the output of Scottish distilleries was blended Scotch. He also referred to five Tomatin single malt whiskies dating from the 1950s and 1960s held in the collection of a Valentin Zagatti, all of which featured the "Tomatin" name. Other bottles he had found, dating from 1986, contained the lion rampant and crested hogs head. He believed these emblems were used from that time by the then-new Japanese owners of the Distillery.

[119] He described the Tomatin brand as attractive because of its "whole brand messaging" and its ability to convey "authenticity and provenance", which consumers of premium spirits look for. In his presentations, he emphasises Tomatin as the name of the Distillery, not as a place. He explained how the Tomatin brand was promoted. He is the pursuer's first "brand ambassador". He promoted the pursuer's products by sharing its brand and history across the distribution chain, from distribution partners to retailers and consumers. The pursuer also used masterclasses and tastings to promote the brand directly to the consumer. Between 2015 and 2019 the pursuer had also attended 130 or so one-day events, ranging from trade shows and festivals (eg the Edinburgh Festival, the Whisky

Festival in Dumfries, Cadenhead's in London), staff training at hotels or presentations at individual retailers. He described these as a combination of consumer tasting and education featuring Tomatin single malt whiskies and branded items such as banners, glassware and pin badges. He also referred to the different tours one could undertake at the Visitor Centre [120] He spoke to the pursuer's spreadsheets of global and UK sales of single malt whisky (see above, at paras [59]ff), which he had prepared using data from the IWSR. He had not included all 162 brands in the spreadsheet of global sales, as he had wanted to showcase Tomatin. He did not regard Tomatin as a small player (because having only 0.3% of the global market), because it was in the upper quartile of the 162 producers. In relation to the spreadsheet of UK sales, he explained that the pursuer's goal in the next 10 years was to be in the top 10 of single malt whisky brands. There were 83 producers of single malt whisky in the UK, and the pursuer was ranked 39<sup>th</sup> by sales (measured by volume). Mr Adamson stressed the relatively high percentage growth the Tomatin single malt whisky brand had achieved since 2015. This was necessarily a longer term ambition because the Distillery had to build up the aged stock before they could access mass market outlets such as supermarkets or wider distributors. For that reason its distribution channels had been confined to specialist retailers. It had now accumulated enough stock to make a run at reaching a wider retail market. Some of the Tomatin single malt whiskies were available at some Tesco stores in Scotland.

[121] The principal topic of cross-examination of Mr Adamson was his evidence about the market position of the Tomatin brands.

[122] In relation to Tomatin's position in the global and UK markets, he confirmed that the pursuer's sales of blended whisky accounted for 90% of its sales and that this was by value, not volume. He accepted that the single malt whisky sector was a small segment of the

Scotch whisky market and that it was “fair comment” to describe the pursuer’s focus as being on its international market for single malt whisky. Under reference to figures from Pagoda, (see para [61], above), Mr Adamson accepted that in 2019 the pursuer sold 4,400 9L cases of single malt whisky in the UK and exported 56,900 9L cases, or 93% of its single malt whisky sales by volume. Under reference to the pursuer’s spreadsheets of UK and global sales of single malt whisky, and the pursuer’s position as 25<sup>th</sup> with a 0.3% market share, Mr Adamson accepted that the pursuer “had a long way to go” before it could be counted as “a leading single malt whisky brand in the UK”. He accepted that other brands had invested huge amounts in marketing and in promoting their brands in other ways over a long period to achieve their standings.

[123] Mr Russell’s observation, to the effect that Tomatin was “far away from being well-known”, was put to him. Mr Adamson referred to Tomatin having a good reputation but of not being able to distribute widely via supermarkets. He accepted that he was talking about the knowledge of specialist retailers and that the difference in consumer numbers between the market leaders arose because those brands were selling through mass distributors such as supermarkets. Mr Adamson also accepted as true what both experts had stated, that Tomatin was a “relatively small player in the UK and export market”. He accepted that assessed by volume of sales, Tomatin was a relatively small player in the UK single malt whisky market. He also accepted that (as Mr MacLean had stated) it was “absurd” to compare Tomatin with the single malt whisky brand leaders in the UK. He also accepted that it was absurd to compare the market in single malt whisky with blended whiskies. They were two very different markets.

[124] In relation to the typical consumer, Mr Adamson also accepted that to the drinking general public, it was the blended brands that were by far much better known than single

malt whisky brands. The general public who buy Scotch whisky on the whole do not buy single malt whiskies, which comprise only 10% of the market. He also accepted that in terms of brand recognition, it was fair to say that the Tomatin brand had not reached the general public buying single malt whisky.

[125] In relation to other tables he had prepared, the table he had compiled showing Tomatin ranked 6th (see para [63] above) was in the UK market for the prestige plus banding of single malt whiskies. By contrast, a table of both prestige and prestige plus bottles in the UK by volume showed Tomatin ranked 13<sup>th</sup>. He also accepted that in relation to that document, he had added in sales from the Visitor Centre but had not done an equivalent adjustment for any of the other entries.

*Jennifer Masson*

[126] Jennifer Masson has had a career in marketing since she graduated in 2007. She has been “Head of Brand” for the pursuer since 2012 and is also responsible for strategic development of the Tomatin single malt whisky brand. She explained that the pursuer’s core brands were Tomatin single malt whisky, Cu Bocan (another single malt whisky) and the Antiquary (a blend). The name Tomatin was used to identify its single malt whiskies, and had been used since at least 1958. She had been on maternity leave when the 2018 Marks had been registered.

[127] She spoke to an undated leaflet (which she surmised came from the mid-1980s) promoting Tomatin and the Big T where the hogshead, a Highland symbol of hospitality, and a heraldic lion were used, and to similar undated images. She explained that heraldic imagery was important to single malt whisky branding, as it conveyed Scottish history and tradition. These had been incorporated into the 2018 Figurative Mark. In 2014 the pursuer

had decided to update the Tomatin single malt whisky brand as part of its brand positioning strategy and to introduce a communications strategy. This led to a “softening” of the image of the Tomatin brand (to emphasise that Tomatin single malt whisky is produced from softer water), the adoption of a new bottle shape, the alteration of the typeface used for “Tomatin” and the stress on the quality of the single malt whisky brand. All of this was to modernise the brand. The refreshed branding was rolled out in 2016. The 2018 Marks have been used in the pursuer’s social media page, press releases, email sign offs, on its website and at events it has attended.

[128] She described the “exponential” growth of the Tomatin single malt whisky brand since 2012; that it was exported to 50 markets globally and its relative ranking in various markets (the rates of growth are noted at paras [59] and [60]). The pursuer’s emphasis has been on the value of sales, not volume. While the pursuer still sells its entry-level single malt whisky (Tomatin “Legacy”), the pursuer’s focus is on the higher priced prestige offerings (priced at £75 and above). It has therefore focused on selling to specialist independent retailers, rather than selling in bulk to supermarkets to drive up volume sales. Tomatin single malt whisky is only listed in some Tesco stores in Scotland. Since the rebranding, there had been significant growth in sales of most of the pursuer’s core products: its 12 and 30 year old single malt whiskies had grown 60% and 97%, respectively.

[129] In relation to expenditure on advertising, marketing and promotion, she spoke to spreadsheets showing such spending for each of 2010 to 2019 and which showed a doubling of expenditure over that period, from £442,202 to £802,077. These figures encompassed spending in respect of its export markets, payments to PR agencies for campaigns, free giveaways, and digital advertising. Brand advertising included print advertising, competitions and sample support. Since 2016, the pursuer has also engaged in collaborations (eg a tie in



with the Loch Ness brewery to produce a limited edition ale aged in Tomatin whisky barrels or in 2017 with Eteaket in Edinburgh for a whisky-based tea); entered competitions (eg winning “Best Malt” for its 18-year old single malt whisky in the San Francisco World Spirits Competition in 2016); sponsored events (eg the Belladrum Highland Musical Festival); and since 2017 has published marketing reviews. She spoke to a separate spreadsheet detailing the monies spent on marketing the Visitor Centre in 2019. This totalled about £10,000, the largest two items being the production of leaflets for insertion into bedroom folders for hotels and leaflets distributed to areas within the Highlands.

[130] In her supplementary witness statement, she responded to statements produced by Mr Frame and Simon Bath. She rejected the suggestion that the pursuer was trying to monopolise the name Tomatin but, in her view:

“People come to visit the Distillery because it is a tourist attraction, not the village. Tomatin Village is situated about a mile further away from the Distillery after you have left the A9. Having visited the Distillery there is no real reason for a visitor or tourist to go to the village itself, although now there is the Strathdearn café where they could go if they wanted to have a bite to eat after visiting the Distillery.”

She was also concerned about the risk of confusion between the pursuer and the defender’s proposed trading name of the defender (which she abbreviated to “TTC”):

“What we do not want is members of the public wishing to visit the Distillery becoming confused between the development of Tomatin Trading Company Limited (“TTC”), which will be right beside the Distillery, and the Distillery itself. For instance, from the name Tomatin Trading Company, it is not obvious what TTC does or what it trades in. People might think that TTC is a trading division of TDC. They might go to TTC’s development which is after all on the way to the Distillery after you come off the A9 at the Tomatin junction and think that they had arrived at the Distillery. There is all the more danger of this if the development is built to look reminiscent of a distillery.”

She referred to the 2007 design statement from Braemore Estate’s planning application for the Site, which she construed as Braemore Estate “looking to create buildings at the development reminiscent of a distillery.” Having made the link between Braemore Estate,

Mr Frame and the defender, she said “[t]here is no reason not to think that, if the development is built, it might be in such a style as to bring a distillery to mind and make people think that TTC and [the pursuer] are one and the same”. By contrast, in her view, this was not the case with local business, such as Tomatin Firewood, where it was obvious its business had nothing to do with the pursuer’s.

[131] Ms Masson strongly disagreed with Mr Frame's assertion that the Visitor Centre sells very few goods and services for which the 2018 Marks are registered. In her view, it sold tours of the Distillery which were educational. It has a bar selling drams of whisky which can be purchased without someone having to go on a tour. In relation to branded goods, the pursuer has sold the full range of goods for which it has trade mark cover in Class 35 under the 2018 Marks.

[132] In relation to the Visitor Centre, there were plans to expand the Visitor Centre “in the not too distant future”, but the momentum for this had been lost because of a high turnover in the post of manager of the Visitor Centre. She explained that “We did look at expanding the visitor centre a couple of years ago but did not reach a conclusion as to the best way forward”. This does not mean, however, that this project had been jettisoned.

[133] In cross-examination, she was not initially sure that the pursuer exported 90% of its product but accepted this once the Pagoda figures were put to her. She resisted the suggestion that exports were the pursuer’s “main” focus; it was not “primary” but was a large part of the pursuer’s business. Under reference to the figures in the pursuer’s spreadsheet of UK single malt whisky sales, she accepted that Tomatin was a small player in this market, relative to the market leaders. She accepted that this was because the larger brands had massive marketing budgets and also sold through mass distributors such as supermarkets. In terms of brand awareness by the drinking general public (as opposed to

the connoisseur), she resisted the proposition that Tomatin was “far from well known”. She could not speak for the success of other brands; she accepted a lot of awareness came from supermarket distribution. She believed that Mr Russell’s view that Tomatin was “far from being a well-known brand” was just his personal opinion. She did not accept as a fair statement that Tomatin single malt whisky was a “small player” in the UK. It was put to her that the pursuer’s own expert had agreed that Tomatin was a small brand within the UK industry. She thought there was a difference between saying a “small” and a “relatively small” player. She agreed that Tomatin was a small player within the UK market when compared to the market leaders such as Glenfiddich or Glenmorangie. She accepted Mr MacLean’s proposition that it was “absurd” to compare Tomatin with the leading brands.

[134] She did not accept that Tomatin single malt whisky was not well-known, albeit in terms of brand recognition, she accepted it had a long way to go. She acknowledged that the Tomatin single malt whisky brand was well known to connoisseurs. If one was purchasing in a supermarket on price point, it was not well known.

[135] In relation to the whole market in Scotch whisky (and not just single malt whisky), she accepted “absolutely” that it was absurd to compare Tomatin’s sales with those of the brand leaders in blended whisky. The consumers of blended whiskies and of single malt whiskies were “completely different markets”. In relation to the question of who was the typical consumer of Tomatin single malt whisky, she accepted as “fair” the pursuer’s expert’s view that the typical consumer of Tomatin single malt whisky was a “single malt whisky aficionado”. She accepted that Mr MacLean’s comments were fair from “an external view point”, she and the pursuer also had “internal insight” of how things were changing. She accepted that from an external perspective, Tomatin single malt whisky was pitched

toward single malt whisky aficionados. Until recently, that had been the primary focus of the pursuer's target consumer. She also accepted that the single malt whisky aficionado was a very small minority of the consumer market across the whole UK market in blended and single malt whiskies. She did not imagine that the pursuer's Tomatin brands would be well-known to the category of consumer who drank blended whisky.

[136] The pursuer's brand strategy had focused on the single malt whisky aficionados as its key customers, because historically that was the pursuer's route to market in the UK.

While the brand was now listed in Tesco in Scotland, this was not in all stores and not stocked all of the time. The pursuer's strategy was to focus on the top end of its range. As old stock accumulated, they were able to do so. This did not mean they were losing the focus on the lower end of their brand range, like Tomatin Legacy. She accepted that generally the consumer of the higher end of the pursuer's range was less likely to be confused about single malt whisky products.

[137] In relation to the pursuer's plans for the Visitor Centre, she was not currently involved but had been a few years ago. She confirmed that as at March 2018 there had been no plans agreed for any development of the Visitor Centre. There had been a discussion about flow and numbers. There were no current plans for it. She was challenged on her evidence about confusion between the Development and the Distillery. Not every visitor wanted to take a tour or visit; many just wanted to tick a visit to a distillery off their list of things to do. She was also challenged on her evidence that there would be a visual similarity between the Distillery and the Development. She accepted that the Distillery had an industrial look and, under reference to the design statement in the 2018 planning application, she accepted that what was proposed for the Distillery was in keeping in character with what had been on the Site (especially the old Freeburn Inn). The evolution of

the defender's planning applications was put to her, for the purpose of demonstrating that the former intention to have a pagoda feature was no longer maintained, which she accepted.

[138] In re-examination, parts of the design statement from the 2018 planning application were put to her, of the intention for the Development to be "reminiscent of a village square or a steading or a distillery", which she noted. Under reference to a photograph of a pyramid-shaped chimney from the Glenfiddich distillery she agreed that this was part of her concern that the Development was trying to look like a distillery.

[139] On the question of the average consumer of Tomatin single malt whisky, she explained that the target audience of their brand was not just the single malt whisky aficionado; the pursuer had a broad marketing strategy and its portfolio spanned a huge price range. They targeted different demographics. They had grown the Tomatin single malt whisky by 85% in the last few years and that would impact on brand awareness. All of the Tomatin single malt whisky in the UK went to whisky consumers. This had followed the brand refresh in 2016. She believed that Tomatin was now a competitive player in the market, which could not be said five years ago. She believed that that showed they had got the price-to-quality ratio right. However, she accepted that the pursuer was not a market leader in single malt whiskies.

#### *The evidence of the pursuer's directors*

[140] Three directors of the pursuer gave evidence. They spoke to the ambitions of the pursuer for the Tomatin brand, their concerns about the confusion between the Distillery and the Development, and, for those who attended, the February 2019 meeting with Mr Frame.

*Stephen Bremner*

[141] Stephen Bremner, who has a background in marketing, has worked for the pursuer since 2003 and became its Managing Director in June 2018. There was a considerable overlap between his evidence and that of the pursuer's other witnesses especially about the emergence of single malt whisky as a separate product of Scottish distilleries, the development of the pursuer's own single malt whisky products, the early use of the Original Word Mark, the advertising, marketing and promotion of the Tomatin brand, and the awards won by some of the Tomatin-branded whiskies. I shall therefore focus on Mr Bremner's evidence in respect of the pursuer's ambitions for the Visitor Centre, his meeting with Mr Frame in February 2018, his knowledge of the Development and the pursuer's decision to apply for the 2018 Marks.

*The Visitor Centre*

[142] Mr Bremner described the Visitor Centre, which had opened in 1992, as being important for the promotion of the Tomatin brand as it was the outlet for most of its branded point-of-sale items. The pursuer had spent around £10,800 in advertising it in 2019 (the last year for which figures were available), which included a mixture of brochures for tourist information centres throughout Northern Scotland and leaflets distributed in airports and train stations. Other features of the Visitor Centre that Mr Bremner described as important were the offer of a free dram (which Mr Bremner described as "a 'sample' that assists the consumer in making a buying decision, much like cosmetics companies do with perfumes and enticing them to buy Tomatin single malt and/or some of our branded goods"), and the opportunity to use the pursuer's Marks extensively throughout the

Distillery and Visitor Centre. In respect of the latter, these were used on the signage throughout (Mr Bremner described the various internal and external locations where the Tomatin name was used), as well as on the clothing of serving staff and on the retail offer. This was all-important to creating “brand awareness” and extended to using the Tomatin name in any collaborations with brewers and food producers. Two examples were provided, namely, a beer collaboration with Black Isle Brewery in 2018, where the 2018 Word Mark was on the bottle, and the use of the 2018 Word Mark and logo on a Tomatin single malt whisky fruit cake collaboration with Dean's of Huntly (offered from about 2016 and sold in their respective retail outlets and online). Mr Bremner described other collaborations with food producers such as fudge, jam, marmalade and honey.

[143] In his parole evidence he confirmed the brand refresh in 2016 and he spoke to the use of branded items at events to promote Tomatin. He explained that the focus on the brand and the move away from bulk sales had to be a gradual process as it was necessary to build up a quantity of aged stock in order to make a single malt whisky. So, for example, it took 12 years to store and label a 12-year old malt.

[144] The pursuer's Word Marks were generally used on its retail offering from the Visitor Centre on items such as t-shirts, glassware, water jugs and umbrellas, and photographs from the pursuer's archives of earlier examples were produced of similar items.

[145] Mr Bremner returned to the Visitor Centre later in his evidence. He referred to the several sets of architect's plans from 2017 (also described as “concepts”), to demonstrate that the pursuer had been looking to expand the Visitor Centre from about that time. The pursuer was not interested in increasing visitor numbers; it was too crowded. Rather, it was wanting to reduce numbers; to replace quantity with quality, and to create a more “premium” feel and an enhanced experience aimed at “high end” customers. Part of this

strategy was to introduce more goods for sale with the Tomatin branding, and this was why the 2018 Marks were extended to Class 35. Mr Bremner denied stating to Mr Frame at any meeting with him that the pursuer had no intention of expanding the Visitor Centre. He had stated that the intention had been to limit visitor numbers. As he had explained earlier in his evidence, the pursuer had looked at several concepts at the end of 2017 and beginning of 2018, but these had been shelved in order to prioritise building new office space to accommodate an increase in staff. The further development of the Visitor Centre is for the next 2 to 3 years.

*The meeting with Mr Frame in February 2018*

[146] The thrust of Mr Bremner's evidence on this chapter was that he was not aware of the defender's intention to use the name Tomatin Trading Company in relation to the Development until the last quarter of 2018. He modified that statement in his supplementary witness statement, acknowledging that the pursuer was aware of the defender's use of "Tomatin" both from the time of the defender's submission of the 2018 planning application and the subsequent reporting in the local media (which was in March 2018). However, this did not give him any concern at that time. The pursuer had not been aware of the incorporation of the defender in 2010.

[147] He described the February 2018 meeting coming about as follows. In early February 2018 a third party, Stephen Rankin, introduced Mr Frame by email to Mr Bremner and the pursuer's then Chief Executive, Robert Anderson. Mr Bremner's understanding at that time was that Mr Frame was building a retail unit as part of the Development and wanted to stock the pursuer's whisky. Mr Bremner was aware that Mr Frame had asked the pursuer about this quite a few times in the past. Mr Bremner and Mr Anderson met with



Mr Frame on the morning of 16 February 2018 at the Distillery. While the finance officer of Braemore Estates had sent a copy of the defender's latest set of plans for the Development, by email timed at 8:46, Mr Bremner was fairly sure he had not seen this at the time, as it had come just before the meeting. In any event, he commented that, while the email subject heading was "Tomatin Trading Co Ltd", the email was sent from a "Braemore Estates" email address. He thought nothing of this at the time.

[148] Mr Bremner described Mr Frame introducing himself, producing a business card with the name "Braemore Estate", and asking about the pursuer's success with its business and the Distillery. Mr Bremner is adamant that, contrary to Mr Frame's evidence, the business card handed over did not include the words "Tomatin Trading Company".

Mr Bremner was also clear that there had been no discussion at that meeting of the nature of the Development. Mr Frame had inquired about leasing some land from the pursuer, but which was quickly rejected as the pursuer might itself need this in the future. Mr Bremner was also clear that at no time did Mr Frame disclose his intention to change the Development's name from Juniper Village to The Tomatin Trading Company. There was a courtesy exchange of emails a few days later but no follow up by either side. Mr Bremner described being advised by the pursuer's trade mark agents of the defender's Application in January 2019. One of his concerns, as he described it, was that the Application:

"had been registered to cover whisky and Scotch whisky. Not only this, the application had been made to cover an extensive number of goods and services, many of which we offered. It was only then that I thought "wow", he is actually looking to use "Tomatin" as a brand".

After an exchange between the parties' agents, the defender amended the Application in March 2019 to remove class 33 (Scotch whisky).

*The defender's use of Tomatin*

[149] Mr Bremner was highly critical of the defender's proposal to use "Tomatin" in the name of the Development. It was "illogical" to name the hotel "Holiday Inn Express – Inverness South, Tomatin". If Tomatin were well known, there would be no need to use "Inverness". The café was going to be the "Findhorn Café", so what was the point of using Tomatin in relation to the Development and he queried what the defender would be "trading". He noted Mr Frame's keenness to have the pursuer on board with the Development. In his view, the pursuer had accrued goodwill in the name globally and it wished to protect its rights. He was concerned that the defender's use would impact on the distinctiveness of the pursuer's brand. The pursuer had no control over how the defender would operate the Development, and he had concerns that it might damage the luxury image the pursuer was striving for. He distinguished between use of the name Tomatin by other local businesses, which had not prompted the pursuer to act, and the defender's proposed use:

"[The Tomatin Country Inn and the Tomatin Country Store] were both smack bang in the middle of the village and very much catered for the local community, so were of absolutely no threat to the Distillery and certainly not looking to cash in on the Distillery's success ... Neither the Inn or the Country Store had any interest in developing their business as a brand either so both were pretty insignificant."

He had concerns about consumers confusing the Distillery with the Development and that they might think the two were associated. He referred to negative coverage of Mr Frame in the press and the potential reputational damage (from a misplaced association with him) to the Tomatin brand. He believed that this was exacerbated by the proximity of the Development to the Distillery (whose respective entrances he estimated as being only about 15 metres apart) and by Mr Frame's "extensive" use of the Tomatin name. That included using the Tomatin name for the 2018 planning application, and the promotion of the

Development on the defender's Website ("tomatintrading.co.uk") and on its Twitter and Facebook pages.

[150] On the issue of confusion said to arise from the proposed Development, Mr Bremner referred to a few recent contacts the pursuer had received – offering, respectfully, financial and interior design services for the Development.

[151] Mr Bremner echoed the evidence of other witnesses for the pursuer that the Distillery preceded the village and took its name from the Tomatin Estate. He was disparaging of the village: apart from a village shop, primary school and a village hall, there was not much else there and it was not well known outwith the local area. It was not somewhere that people would visit. The local area was known as Strathdearn and the Distillery was the only tourist attraction in Strathdearn.

*The application for the 2018 Marks*

[152] Mr Bremner explained that the pursuer was "proactive" in seeking intellectual property protection and it had 80 trade marks or logos registered internationally. The Original Word Mark has been protected in class 33 in Japan since 1991, in Canada since 2006, throughout the EU since 2005 and the pursuer's logo mark was registered in the USA in class 33 in 2017. In respect of the UK, Mr Bremner said that the pursuer

"had been **discussing** with our trade mark agents **for quite a few years**, prior to 2018, about registering trade marks in the UK in different classifications relevant to [the pursuer's] business". (Emphasis added.)

He believed it was "standard practice" for trade mark agents "to discuss with and advise their clients to do so". He described these discussions:

"The trade mark agents had a good idea as to what goods and services we were offering as a business. They knew that we were selling promotional items and had people in our team in the market educating consumers and trade partners but that

we had no trade mark protection in the relevant classifications. They had spoken to us **on a few occasions about expanding our registrations** by protecting not just the name but additional aspects such as our logo and bottle shape, **as well as expanding our classifications** beyond class 33.” (Emphasis added.)

[153] In relation to the timing of the application for the 2018 Marks, Mr Bremner explained that the pursuer had not acted on this previously because

“.... we were never that concerned about protecting other classifications because of the remote area we work in and we did not think anyone else would come along who would be a challenge to this. Whilst we had been speaking with the trade mark agents about this for some time prior, **they had seen some media coverage about the defender's development in 2018** in the Scotsman newspaper **and encouraged us** into filing. .... **This coverage acted as a prompt for us** to action the expansion of our trade mark registrations to **provide a wider breadth of protection for the Tomatin brand, in line with what we were offering and the direction we wanted to go with the business.**

[...]

The 2018 Word Mark is an extension of the Original word mark to cover uses other than Scotch whisky. The **whole point** of the 2018 Word Mark **was to provide a wider breadth of coverage for the Tomatin name, in line with the goods and services we were offering at the time and were planning to offer in the future.** It also made sense to register the Logo mark as we had undergone the brand refresh in 2016 and the visual element of the logo was really important to us in promoting the Tomatin brand.” (Emphasis added.)

Mr Bremner explained the justification for seeking an extension to cover the Additional Classes:

“From our point of view, we have the visitor centre at the Distillery and through the visitor centre we have been selling all kinds of goods we class as "promotional material" which falls under class 35, from fudge and cake to glassware and hats, since at least 2012. These are goods we give and sell to wholesalers and retailers, both in the UK and overseas, when we are promoting the brand in the market. They are very relevant to our business and as we develop as a brand it makes sense to protect those items.

[...]

Educational services under class, 41 are also very relevant to our business. At the Distillery, visitors are there to learn about Scotch whisky and our brand but members of the [pursuer's] team also go out and educate consumers and our distributor's sales people within the market place – this is a fairly big strand of our business. It is a creative and cost effective way to get in front of a group of consumers and tell them

about your brand and let them taste it, potentially becoming Tomatin brand ambassadors and recommending us to others.

Additionally, we have had our bar at the visitor centre since 2012 and have offered our pop-up bar a part of corporate hospitality and charity events 2012. We have also offered tours at the visitor centre since 2012 and the educational videos which provide visitors with information relating to whisky and distillation since 1993 so it made sense to register the 2018 Marks in Class 43 as well."

Mr Bremner understood that this was an approach taken by other distilleries: "to protect their brand for their core offering of Scotch whisky and they will then seek to protect other goods and services they offer or which are a natural fit for a distillery later down the line".

[154] Mr Bremner also described the pursuer's plans for expansion of its use of the Marks, including the 2018 Marks, as follows:

"9.1 Our plan to expand the use of our 2018 trade marks, where we do not currently offer the goods and services for which they are registered **is mainly linked to the visitor centre**. We want to create a "brand home" at the visitor centre but we need to decide as a business what that encompasses and what services we will offer. **We do not yet know exactly what this will look like.**

9.2 The retail services under Class 35 relate to the point of sale items at the visitor centre and those promotional items we can take to events to offer for sale or give to consumers. I have set out our position below in relation to those goods under Class 35 which **we do not currently offer**:

9.2.1 it has been a **topic of discussion** between the Distillery team for **some time now** as to whether we would offer other alcoholic beverages. We have looked at gin as it would be a natural fit due to Tomatin meaning "Hill of the Juniper Bush". We have also spoken about possibly a rum as it is popular at the moment. These are products that **we could develop in the future**;

9.2.2 we sell Loch Ness water at the visitor centre but **we have discussed** selling Tomatin branded bottled water and it is something **we may do in the future**;

9.2.3 we have offered calendars and greetings cards in the past and **may wish to do so again**. These are common items to have for sale in a visitor centre, and are popular with tourists;

9.2.4 magazines **could be seen** as an expansion of our promotional brochures going forward;

9.2.5 in terms of jewellery, we sell pin badges utilising the word mark and the hogshead motif. We also previously sold branded cufflinks under the Antiquary brand and **have considered the same** for the Tomatin brand **in the future**;

9.2.6 tea towels and aprons have been sold by us in the past and which we may wish to sell again in the future at the Distillery's Visitor Centre as branded Tomatin products. Both items which would be used and worn by staff in bars, so go hand in hand with the sale of Scotch whisky. It is logical to register our marks for these goods; and

9.2.7 in relation to Christmas decorations, **there is the potential** that, in the future, we would sell miniatures as decorations or branded baubles.

9.3 In relation to the Class 43 services we do not yet offer:

9.3.1 our visitor centre is an important part of our business. It is an **underdeveloped part of our business and an area we really want to grow in the right way** as part of our Tomatin brand. [Mr Bremner referred to] email correspondence with Bright Interiors, from December 2017 which was forwarded to me and other members of the team, setting out an indicative costs budget for visitor centre expansion options, including improved provision of bar and education services;

9.3.2 it makes sense to have trade mark protection when it comes to food services, as going forward, **it is a real possibility that we would have restaurant or eating facilities at the Distillery**. We are in the business of selling alcohol and bars and restaurants go hand in hand with that. **We also do not know yet** if our "brand home" will involve just a tour and tasting or if it will be much wider, for example to include a food offering and/or a cocktail bar;

9.3.3 we have also **considered whether we would want to have meeting and conference facilities on site or if we want to offer people the ability to have a wedding at the Distillery, with banqueting services**.

9.4 If we went out and pushed the Distillery as an attraction, we could easily attract visitor numbers pushing 100,000 but at the moment that is not feasible. We had to cut our bigger bus tours, as a lot of the time they would come to the shop at our visitor centre, use the toilet, sometimes have a taste of whisky, buy a miniature bottle of Tomatin and leave. **This clogged up the visitor centre so customers who were genuinely interested in a tour or tasting couldn't do that**. We hope to offer a more bespoke offering and we are looking at different types of tours. Our plan is to gradually build numbers back up at the visitor centre at the same time as expanding the offering there.

9.5 **The reality is we do not yet know what the visitor centre will look like in 2-3 years but there is every chance that it will have a food or beverage offering.** A traditional bar offering is also not out of the question. Having a bar offsite, in Inverness, is something which we have also explored. We need to be in really strong financial position to fund any expanded offering. We are getting into that position now and hope to get plans in place over next year or so.” (Emphasis added.)

[155] In his supplementary statement Mr Bremner returned to the circumstances that prompted the pursuer to obtain the 2018 Marks. He denied that these were made in response to Mr Frame’s Development.

“The press coverage I saw around about this time pointed to there being several different businesses making up the development. This consisted of such aspects as 4 retail outlets, a farm shop, a bakers and a Bonnie Prince Charlie restaurant. My feeling was that all of the businesses would have their own name and that the overall development would be called ‘Juniper Village’ or the likes. I therefore did not feel threatened by the Tomatin Trading Company name. However, as explained in paragraph 7.4 of my original statement [see para [153], above] **it acted as a prompt for us to act upon our trade mark agents suggestions** to provide a wider breadth of protection for the Tomatin brand, as we thought other businesses could utilise the name inappropriately to take advantage of the goodwill and reputation we have built up over time. **We had no inclining [sic, inkling?] then that this was the intention of Mr Frame.**” (Emphasis added.)

#### *Cross-examination*

[156] In cross-examination, Mr Tariq first explored the topic of the pursuer’s position in the UK market for single malt whiskies. Mr Bremner accepted that the pursuer’s focus in the last 10 years had been to develop the Tomatin single malt whisky brand. The pursuer also had other brands, such as Cu Bocan and a selection of blended whiskies (Talisman, Big T, The Antiquary, Ancient Clan and others). Mr Bremner accepted that these were distinct brands in their own right, but that some carried the Tomatin motif. He accepted that when he described the pursuer as being “proactive” in getting trade mark protection (some 80 in number for 60 countries), this was because of its international focus. The pursuer’s sales figures for 2019, broken down by brand (which the pursuer had provided to

Pagoda), were put to him. These figures showed a total of 140,662 9L cases exported and a total of 5,459 9L cases sold within the UK. Of the latter figure, the Tomatin single malt contributed 4,498 9L cases, Cu Bocan contributed 576 cases. The remaining 385 9L cases were its blends (Antiquary Deluxe Blend and Big T). Mr Bremner accepted that these figures supported the position that 90% of the pursuer's product was exported and its sale of single malts within the UK amounted to only 7% of its sales. Mr Bremner resisted the proposition that in respect of sales of single malt whisky in the UK, Tomatin was a "small player". He accepted that the pursuer was a small player in the global market. The transcript of an interview Mr Bremner gave in 2016 was put to him, in which he described Tomatin as "quite a small player in the industry"; that the UK market was "very competitive for smaller companies" and that in order to be successful one had to devote a lot of resources to succeed in the UK market; and for that reason the pursuer had focused on the export market. Mr Bremner accepted that Tomatin was a small player in the whisky industry.

[157] The same point was made under reference to the spreadsheets of the global and UK sales of single malt whiskies (showing that the pursuer had sold 3,000 9L cases of single malt whisky in 2019, or 0.3% of the UK market: see para [59], above). Mr Bremner accepted that Tomatin was not promoted as a mainstream brand in the UK. He accepted as "fair" Mr Russell's observation that Tomatin single malt whisky was "far from being a well-known brand" of single malt in the UK; that it was a small brand within the small market for single malt whiskies. He agreed that, in terms of volume, it would be "absurd" to compare the Tomatin brand with the leading brands such as Glenfiddich. Mr Bremner also accepted that it was not just in relation to its market share that Tomatin was a small player; this was also true when it came to consumer awareness and that it was absurd to compare Tomatin with



the bigger brands. In his view, this was because they had massive marketing budgets. He accepted that this was so, not just in terms of sales, but because of advertising, promotion and consumer awareness.

[158] In relation to who was the typical consumer of Tomatin single malt whisky, and under reference to Mr MacLean's observation (in his supplementary report) that Tomatin single malt whisky was known to the "single malt whisky aficionado", Mr Bremner accepted that that was a fair description of its key consumers. The aficionado was the focus of its brand. He expanded on this: the single malt whisky aficionado bought specialist products, like the higher-aged expressions (starting from 14 to 18-year old ones) whereas the pursuer's entry level products (eg Legacy) and 12-year old products would not be of interest. The majority of the pursuer's retail channels were via specialist retailers. He accepted that the pursuer's focus had been on specialist retailers. Mr Bremner also accepted that, in contrast to the pursuer, the larger brands secured their large market shares by selling through national and mass retailers, like supermarkets.

[159] In relation to the pursuer's plans for the Visitor Centre, several of the pursuer's business plans were put to Mr Bremner. None of these referred to the development of the Visitor Centre. Mr Bremner's response was that these were focusing on the objectives for the brand, not the overall objectives of the company as a whole. He accepted as correct an entry that recorded that the pursuer's aim was to stabilise visitor numbers for the next 3 years and to replace volume with quality. He acknowledged that the numbers of visitors at the Visitor Centre had dropped to 34,000 in 2019. It was not a long-term ambition to grow the Visitor Centre; rather, the intention was to reduce visitor numbers as it could not cope with the visitor numbers and it wished to stop bigger coaches visiting. Mr Bremner acknowledged that the sum spent advertising the Visitor Centre in 2019 was only around £10,800 and that

this was consistent with the ambition to reduce numbers. He could not comment on how this compared with other distilleries. The pursuer did seek to build brand awareness via social media, and which does not have an associated cost.

[160] In terms of the sales from the Visitor Centre, he was challenged that these were not identified by reference to different products. Mr Bremner confirmed that the pursuer did not sell any of the standard blends at the Visitor Centre; it sold Tomatin and Cu Bocan single malt whiskies, and the Antiquary. The majority of the sales (by value) were the Tomatin single malt whisky brand. The defender's analysis of the sales from the Visitor Centre (analysed by type of product) for 2019 was put to him. Mr Bremner accepted that 70.77% of all sales at the Visitor Centre were whisky; that tours accounted for 20.04% of sales; and that Tomatin-branded items accounted for about 5.7%. The latter amounted to around £50,000 which corresponded with the figure of £35,000 in Mr Bremner's own witness statement. On these figures, sale of non-whisky retail items amounted to only 6% of the Visitor Centre sales. (This would equate to 0.3% of the pursuer's total turnover.) Mr Bremner accepted that a visitor to the Visitor Centre was visiting to get a Scotch whisky experience, and not a retail experience. He explained that most visitors went on a whisky tour, tasted a dram and bought a bottle of whisky.

[161] Photographs of the Visitor Centre from the defender's private investigator were put to Mr Bremner. The layout was of a shop with a counter and till, and a small bar area (shown below):



Mr Bremner accepted this and noted that at the height of summer there was a separate bar area for tasting and a seating area in the still house to watch an educational video. He resisted the description of this as a small retail area, but it was "not massive".

[162] Under reference to Mr Bremner's comment that the pursuer had explained that the 2018 Marks were mainly linked to the Visitor Centre, Mr Tariq explored the pursuer's plans for the Visitor Centre. Mr Bremner said the main reason for obtaining the 2018 Marks was because they were selling things in the Visitor Centre for which the pursuer did not have registered marks. He was pressed on plans for the Visitor Centre as at March 2018, and that

there were no firm plans at that time. Mr Bremner explained that the visitor numbers had meant the Visitor Centre could not cope. The Visitor Centre was “a work in progress”; the pursuer was not sure what its future shape would be. It was “very much under discussion”. Mr Bremner accepted that there were “no concrete plans” going forward at that time as to what the Visitor Centre would look like. Mr Bremner also accepted that since March 2018 there had been no expansion. The pursuer had focused on marketing. It shelved plans for the Visitor Centre because it was running out of office space, so spending was diverted to that and plans for the Visitor Centre were put on hold. He would not accept that the stage had never been reached where there had been concrete plans, and he referred to the discussions the pursuer had had with the architects.

[163] The Additional Classes were put to Mr Bremner under reference to section 9 of his witness statement (set out above, at para [153]):

- 1) Mr Bremner accepted that as at March 2018 the pursuer had had “no concrete plans” for the sale of alcohol by other producers (Class 35). At most they had had a beer collaboration. Going forward this was a “point for discussion” with management; they were considering producing a gin or a rum, but they had no concrete plans.
- 2) In relation to a restaurant, there were “no concrete plans” for this. He described the pursuer’s discussion as “fluid”;
- 3) The pursuer had “no concrete plans” for conference, meeting, banqueting or wedding facilities as at March 2018;

Under reference to the architectural or “concept” plans dating from late 2017, which Mr Bremner had referred to, he accepted that these were about a new landscaped entrance or a linking lobby (to be used as a waiting area for tours) or to increase exhibition space by a

modest amount. None of these proposed a large expansion of the retail offer, although Mr Bremner explained that the intention was to increase the lobby so as to ease congestion in the retail space. He accepted that none of these proposed a kitchen or restaurant space, nor any plan to convert any part of the Visitor Centre into a café. These were no more than “broad ideas” considered at a “high level”, which had all been shelved.

[164] In relation to the timing of the pursuer’s application for the 2018 Marks, Mr Bremner’s statement that those marks had been applied for to protect what was being sold at the Visitor Centre was tested. Mr Bremner accepted that the pursuer had long sold branded items from the Visitor Centre (a photo of items from the 1990s was put to him) but that the pursuer had not sought trade mark protection at that time. Prior to 2018, no one had tried to stop the pursuer from selling such items. He accepted that the pursuer had produced no documents from its trade mark agents to vouch the discussions Mr Bremner had referred to. He was pressed on the assertion in his supplementary statement that the press coverage of the Development had prompted the registration of the 2018 Marks. The pursuer’s trade mark agents had contacted the pursuer because they had seen an article in the *Scotsman*. Mr Bremner maintained that he was not then aware that the defender’s intention was to use Tomatin Trading Company for the Development. There was nothing in the press cutting to indicate that. The pursuer’s trade mark agents had noted that another business was moving into the area and using the “Tomatin” name in their company name, and that it was wise to protect the items they were currently selling. He accepted that there was no restaurant and no plans for one.

[165] In relation to the February 2018 meeting, Mr Bremner recalled receiving the email from Braemore Estates on the day of the meeting with Mr Frame, but he could not recall noting its subject line (“Tomatin Trading Co Ltd”). A copy of the business card said to have

been handed over at the meeting was put to him. Mr Bremner was adamant that the business card handed over simply stated “Braemore Estates”; that it did not have “Tomatin Trading Company” on the reverse and that there was no mention of that name by Mr Frame at the meeting.

*The media coverage of the Development in March 2018*

[166] The various newspaper articles from 17 and 18 March 2018 about the Development were put to Mr Bremner. He initially cavilled at the proposition that there was “substantial” coverage, but he accepted there was coverage at that time which he had seen, and that some of this was in national newspapers, such as *The Times* and *The Scotsman*. He accepted that none of the press articles mentioned the Distillery; that several mentioned Tomatin Village and also the location of the site at the Tomatin junction with the A9; and that the elements of the proposed Development mentioned included retail services for food and beverages, a restaurant and a conference centre. Mr Bremner was challenged that the pursuer had applied for the Additional Classes, because these covered the kinds of offering mentioned in these press cuttings. He maintained that there had been “ongoing” discussions about these things. He resisted the proposition that the 2018 Marks for the Additional Classes had been registered as part of a deliberate strategy to seek a broad protection for the Tomatin mark. Mr Bremner maintained that this was not so; that the pursuer wanted to cover items it was currently selling and that otherwise it was to cover matters that were a natural fit for the business going forward (even if there were no concrete plans at present).

[167] On the issue of confusion, Mr Bremner accepted that the defender was not supplying any services using the Tomatin Trading Company name at the Development or any other site. He accepted that someone visiting the Distillery was likely to have an interest in Scotch

or single malt whisky. He accepted that drinkers who were interested in single malt whisky or the Distillery were unlikely to end up at the Development's hotel or restaurant in the belief that they had arrived at the Distillery. Maybe a general consumer might be confused. He accepted that a consumer looking to take a Distillery tour but who arrived at the Development would realise their mistake. Even the more casual visitor intending to take a quick look at the Distillery, would appreciate the difference between the Distillery and the Development.

[168] The various road signs at the A9 and the T-junction at the old A9 were put to him. Mr Bremner accepted that a traveller was unlikely to get confused and that it was unlikely that the defender would use the word "distillery" in association with its Development.

[169] The entries from one of the defender's business plans ("the defender's Business Plan"), its reference to wider tourist links and its aim to become a destination in its own right were put to Mr Bremner. He accepted that the defender's target consumers were tourists, local and business traffic and the "silver pound" of the 60-plus age group. He cavilled that a "trading" company had nothing to do with leisure. He accepted that his suspicion that the defender was trying to "piggy back" off the success of the Distillery, or to create an association with it, was "pure speculation". He also accepted that passages of the defender's Business Plan focused on the proximity to the junction; that it referenced an ambition to be a destination comparable to House of Bruar; and that there was no mention of the Distillery. Mr Bremner resisted the proposition that the pursuer's business and the defender's proposed business operated in completely different fields of activity.

Mr Bremner fell back on the similarity because of the retail offer of drinks; this was the only element that competed with the Distillery.

*Re-examination*

[170] In re-examination, Mr Bremner confirmed that the scope of the pursuer's objection was to the use of the word Tomatin, but not to the Development itself. He reiterated that one of the stated ambitions in the pursuer's 2018 Budget Presentation had been to develop the Visitor Centre to showcase the pursuer's brands and to offer consumers an exclusive whisky experience. The pursuer had not abandoned its ambition for the Visitor Centre; it had prioritised other projects. Several images from the defender's website were put, to enable Mr Bremner to assent to these as providing a basis for concern (but the date at which Mr Bremner first became aware of these was not taken).

*Robert Anderson*

[171] Robert Anderson spent most of his working life with the pursuer, becoming its Chief Executive in 2010 and retiring from that position in May 2018. He had no involvement in the decision to obtain the 2018 Marks. His relevant evidence, pertaining to the Tomatin brand and the February 2018 meeting with Mr Frame, was in short compass. His start as Chief Executive coincided with the period when the market in single malt whiskies began to grow. The Tomatin name was always used in conjunction with the Distillery's single malt whiskies. The Tomatin logo was also regarded as important, although it went through a number of iterations over the years. From 1989, the pursuer began to focus on selling Tomatin-branded goods from the Visitor Centre. At that time it sold the Big T, then later the Antiquary and Talisman, in addition to the Tomatin single malt whisky. The latter contained the Tomatin name and logo. While it had sold tourist "knickknacks" which did not then feature the Tomatin name or logo, these were later replaced with branded items. Latterly, it was all about building the Tomatin brand.



[172] The February 2018 meeting with Mr Frame was informal, in the nature of a “meet and greet”, and instigated at Mr Frame’s request. While he may have seen the email (with “Tomatin Trading Co Ltd” in the subject-line), he could not recall receiving this or attributing any significance to the use of “Tomatin”. It had come from Braemore Estates. He had not reviewed the attachments to the email. Nor could he recall receiving a business card from Mr Frame. Mr Anderson had opened up the meeting in his usual way with new visitors, by detailing the history of the Distillery, the Visitor Centre and the brand’s global position. He was clear that Mr Frame had not mentioned the name Tomatin in association with the Development. Had he done so, Mr Anderson would have objected to this on the ground of potential confusion with the Distillery. He distinguished the use of Tomatin by other businesses (eg “Tomatin Firewood”). He noted that the follow up email from Mr Frame after the meeting was from Braemore Estates. He understood the reference to “Tomatin” to be to the Distillery. He was clear that the pursuer did not want to sell its goods at the Development, as this would adversely impact the Visitor Centre. He rejected Mr Frame’s evidence that they had met before; the first time he had met Mr Frame was at the February 2018 meeting.

[173] In respect of the media coverage of the Development in March 2018, he was sure that there had been some, but he did not have much active recall of it. He accepted that the media coverage of the Development was not described by reference to the Distillery, which was not mentioned. He accepted that the junction and the A9 were busy, especially in the summer months. He had welcomed the Development at the time; his concern was with its use of the name “Tomatin”.

*Graham Eunson*

[174] Graham Eunson has worked in the whisky industry for 30 years. He was appointed director of the pursuer in 2019 and is director of distillery operations. Prior to that he had been the General Manager and latterly the Master Blender at the Distillery from about 2011. One of his roles as a director was to develop the pursuer's strategies. He did not believe that the pursuer marketed the Visitor Centre, but it was the brand's "shop window" and the pursuer had plans "to ramp up" the marketing of the Visitor Centre. He had had no involvement in the decision to obtain the 2018 Marks. In relation to the Site, he had been aware of the various proposals promoted over the years by Braemore Estates. He was aware from about February 2019 of the change of name to Tomatin Trading Company. This was because this was brought up at a meeting of the pursuer's senior management on 28 February 2019, and it was noted that the pursuer's lawyers had written to the defender to stop using the Tomatin Trading Company name.

[175] He also spoke to instances of confusion between the name of the Development and the pursuer, namely: a relative in the hotel industry in Dundee had sent him a WhatsApp asking if the pursuer was moving into the hotel industry (this was accompanied with a laughing/crying emoji); a neighbour and a few friends had made similar comments after seeing the media coverage in March 2018 about the Development.

[176] In relation to the pursuer's plans for the Visitor Centre, he noted that a toilet amenity block had been added in 2010 or 2011 but this was insufficient to meet increasing visitor numbers. The pursuer had engaged three different architects in 2017, but none of their proposals progressed because the pursuer did not like what was proposed for various reasons, and plans for the Visitor Centre were put on hold. The pursuer had wanted to extend floor space and their services offered at the Visitor Centre. An enlarged Visitor

Centre would enable the pursuer to accommodate more visitors in the peak summer months and to provide better facilities for tasting. The pursuer was considering using one of the original houses to host tasting events.

[177] He disagreed with Mr Frame's description of the village as well known to tourists because of its location near the A9. He described it as follows:

"The village of Tomatin is not on a main thoroughfare which would attract passers-by. Instead, it lies in a valley off the beaten track. You cannot see the village from the Distillery or TTC's development site. If you turn off the A9 at the Tomatin junction, after reaching the Distillery, you have to continue along a narrow B-road for about a mile to get to the village. It is really little more than a small collection of old and new houses. It is in no sense a bustling, country village which might attract visitors in its own right. For instance, it has no proper high street with shops, pubs or restaurants to make a detour to it worthwhile. At the end of last year, a community hall and sports complex called the Strathdearn Centre was opened in the village and this has a shop and café."

[178] The first topic of cross-examination related to the Visitor Centre. He confirmed that the proposals in 2017 came to nothing. The management team could not agree a way forward, as there was also consideration of a bottling operations and bigger offices. By 2017 to 2018, bigger offices became a greater priority, as the pursuer had more staff. At present there were no firm plans to expand the Visitor Centre. The pursuer would have to consider the impact of Covid. As at March 2018 there had been no plans for a restaurant or a banqueting facility. They had no plans for having catering built at that stage. They were looking at more flexible room for different kinds of events.

[179] In relation to the issue of confusion, Mr Eunson accepted that there had been no construction works for the Development. He had not been aware of the use of the word Tomatin on a jar of strawberry jam on the defender's website. He accepted that the pursuer was not in the hotel business and, generally distilleries did not run hotels. He also acknowledged that in the extensive coverage of the Development and the history of the Site

in the *Press and Journal* of 26 March 2018, there had been no mention of the Distillery. In respect of the WhatsApp message he had received, it was put to him that this was in jest and teasing; he could not speak for the sender. He did not know the names of the other people whose comments he had referred to. He was pressed on his belief that visitors might confuse the Development for the Distillery. He side-stepped the question that the visitor interested in single malt whisky was unlikely to be confused; many types of visitors came, including accidental tourists looking for something to do in bad weather or looking to tick a visit of a distillery off their list of things to do. The four sets of road signs (two of which are above, at para [52]) and the Distillery's own two large signs were put to him with the proposition that if one were looking for the Distillery, one was unlikely to miss it because of the signage. His answer was that that depended if one followed the signs; not everyone reads signs correctly. He accepted that if new on-off ramps were created as part of the dualling of the A9 at Tomatin, the visitor coming off the A9 would reach the Distillery without passing the Development. He resisted the proposition that the chance of confusion was pretty low; it depended on one's satnav. He accepted that those looking for the Distillery or a tour there were likely to find the Distillery.

[180] In re-examination and under reference to his comment that there were no concrete plans to extend the Visitor Centre, he explained in the long term the pursuer was having discussions about how to make the best use of what it had. It was considering potentially increasing warehousing or relocating the office space to use that for visitors. This could be turned into a restaurant or bar. There were always ongoing discussions about how to meet the demands for whisky tourism.

**The defender's proof***Mr Frame*

[181] William Frame is the sole director of, and moving force behind, the defender. He has been a businessman and property developer since the late 1980s, including the business known as Braemore Estates.

[182] A substantial amount of his evidence was not directly relevant to the issues arising in these proceedings (eg the history of how became interested in and acquired the Site, the long planning history preceding the grant of the 2018 planning permission, the vagaries of the economic climate over the last two decades, the nature of the pursuer's business or its sales from the Visitor Centre, or his subjective understanding of the pursuer's motivation in applying for the 2018 Marks). Other chapters of his evidence either repeated the evidence of others (the history of Tomatin as a place name or repeating the findings of the private detective instructed by the defender about the Visitor Centre) or trespassed into the territory of the experts (eg on brand awareness) or of the court (the issue of confusion, the invalidity of the 2018 Marks, whether there has been trade mark infringement or passing off). The latter passages were objected to (see the Notes of objection in Appendix 1 to this Opinion). Accordingly, notwithstanding the length of his witness statements or the length of time he was in the witness box, his relevant evidence was in relatively short compass. The relevant, albeit contentious issues, included what transpired at the February 2018 meeting, his proposals for the Development and the use of the defender's name in association with it in place of "Juniper Village".

*The name "Juniper Village"*

[183] In respect of the Site, he believed that the Little Chef and petrol station which had formerly stood on the Site (he had both demolished after he acquired the Site) were busy and, given the location of the Site, it could be a successful development. The architect had chosen the "Juniper Village" name (used in the 2007 and in some of the later planning applications):

"purely for marketing and illustrative purposes. It was never intended for it to be the name of the final development. There is no Company incorporated in this name".

It was used for a short period. He said he went along with it "purely for the purposes of the planning application". He confirmed in his parole evidence that, while the 2007 planning application had referenced some features typical to a traditional distillery (eg a pagoda-like structure), this formed no part of the 2018 planning permission. The concept behind the appearance was to take the best of Highland vernacular using Caithness slate, stone and other building materials commonly used in any Highland village.

*The defender's intentions for the Development*

[184] He explained that he had incorporated the defender in 2010. The Development will offer a range of quality goods and services. The consented development included plans for a 45-bed hotel, restaurant, retail space and a lot of outdoor spaces. It will be a centre of hospitality, with a farm shop, to showcase the best of the Highland larder. He explained that the name for the Development, as the Tomatin Trading Company "was the result of a thought process as to what would be the best name for the development going ahead, given its diverse offering". After the 2018 planning permission was granted, the name "Juniper Village" was dropped. The use of "Tomatin" was to reflect the location of the Development.

The use of “trading company” was intended to encompass what the Development would do: it was a trading post on a busy road as a sort of general trading company offering a range of goods. He had thought long and hard about the name and had incorporated the defender under that name in 2010. He referred to the Business Plan prepared in respect of the Development. He was confident about the success of the Development and the kind of visitor it would attract. Tourist and other traffic was increasing on the A9. The 2019 edition of the Scottish Transport Statistics (“the STS”) showed that on average 10,778 vehicles pass the junction daily. The North Coast 500 had brought in year-round tourists. He expected to attract tourists, householders and business custom. He also hoped to draw on the existing settlements of the Spey Valley, Inverness, Nairn and Elgin. MKA Economics had prepared the “Juniper Village, Tomatin Socio-Economic Statement” for the Development (“the MKA Report”) (which had been submitted in support of the 2018 planning application), and this confirmed to him that

“it was better to state the name of the location in the title of the development. The Tomatin Trading Company reflected the location and style and the variety of the offering along the lines of the East India Trading Co or the Hudson Bay Company”.

He noted that Tomatin had been used in the name in a variety of local businesses (Tomatin village shop, Tomatin Country Inn, Tomatin Filling Station and the Little Chef at Tomatin, Tomatin Firewood) and in a number of local facilities (the Tomatin railway station, the Tomatin Golf Club, Tomatin Community Shop, Tomatin Primary School, Tomatin Football Club).

*The February 2018 meeting*

[185] In relation to pursuer’s awareness of the defender’s intentions, Mr Frame stated he had met Mr Anderson “on numerous occasions” at the distillery and that it was

Mr Anderson who had suggested the meeting with Mr Bremner because he was shortly to take over as the pursuer's managing director. He had instructed the email be sent shortly before the February 2018 meeting attaching the defender's latest plans. This had been sent from his Braemore Estate email. It is the only business email he uses. The Tomatin Trading Company name "was not commented on" at the meeting. He described the general reaction to the Development as "very positive". He did not believe he would have introduced himself as "being from Braemore Estates" (as Mr Bremner suggested). He had discussed what he was looking to do with the Development and also the pursuer's business. On the latter subject, he recalled Mr Bremner describing the pursuer's plans to penetrate the US whisky market and to do so by being "cheaper than any other brand". Mr Frame thought this was an odd thing to say in respect of a premium whisky. Mr Frame recalled stating that he was keen to sell whisky on the Site and would be pleased to sell the pursuer's product. No mention was made of any plans by the pursuer to provide goods or services falling within the classes for which the 2018 Marks were registered. He did not state positively that he had handed over a business card at that time, but said it was his habit to hand over a Tomatin Trading Company business card at such meetings. Mr Frame also noted some eleven press articles, dated 21 and 22 March 2018, mentioning the Development (eg two in each of the Scottish Business News Network and Aberdeen Press and Journal, two in The National and one each in The Scotsman and The Times (Scotland)).

*Mr Frame's views of the pursuer's 2018 Marks*

[186] He first became aware of the 2018 Marks when he received a letter in February 2019 from the pursuer's agents following the defender's submission of the Application (in mid-January 2019). He described himself on friendly terms with Mr Anderson and with



Tom McCulloch (Mr Anderson's predecessor as the pursuer's managing director). "It was only later, when Stephen Bremner came along that there was any problem". Had he known there would have been an issue with the defender's Sign, he would have applied much sooner. It was his belief that the 2018 Marks had been registered in bad faith and it was "devious and underhand". He did not believe there was any dedicated hospitality for food and drink. It was his intention only to use the defender's full name, "Tomatin Trading Company", and not "Tomatin" on its own. He gave hearsay evidence that he had "spoken with a significant number of locals and other individuals" and it was "very clear that there was no confusion" between the Distillery and the proposed Development under the name Tomatin Trading Company.

[187] Most of Mr Frame's supplementary statement was comprised of responses to Mr Bremner's evidence on chapters of evidence not relevant to the core issues in these proceedings. (He also responded to essentially the same points also made by Mr Anderson and Mr Eunson.) He believed that a marketing budget of £10,800 for a business with a turnover of over £1 million as "a very low sum". He was critical of Mr Bremner's table of figures showing what has been paid to distributors in order to promote the pursuer as very vague. In respect of the defender's Figurative Sign, the "TT" design was intended to represent a trading post. The defender had amended the Application to remove class 33 (whisky) as a gesture of good will. It had also removed the picture of the jam pot which the pursuer had objected to from its website. While Mr Bremner believed that the defender's mention on its website of having a world renowned whisky brand "right on our doorstep" caused confusion, Mr Frame believed that this made it clear that the pursuer was not part of the defender's business. The reason why the "Juniper Village" signage for the Development

had not been changed was due to cost. Any business card handed over at the meeting would have had Braemore Estates on one side and Tomatin Trading Company on the other.

[188] In respect of Mr Anderson's comments that the defender's plans were a House of Bruar-type offering, Mr Frame explained that while there were some similarities, the House of Bruar was mostly a textile offering with a café and open from 10:00am to 4:00pm. The Development would be quite different, as it was to be principally a hospitality offering, with a hotel and eatery open for much longer hours (7:00am to 10:00pm).

*Cross-examination of Mr Frame*

[189] As noted above, many chapters of Mr Frame's evidence were irrelevant to the central issues in this case. The same holds true for the cross-examination of him on these chapters. The evidence elicited in the cross-examination of Mr Frame and relevant to the central issues in this case was as follows.

[190] In relation to the name "Juniper Village" for the Development, a number of documents were put to him in order to challenge his statement that this had been used only at the initial stages. These materials included the signage at the Development, the CADISPA Trust "Strathdearn Community Planning Study 2011" ("the CADISPA Study") (which referenced a conversation with Mr Frame of Braemore Estates about his plans for "the Juniper Village development"), the MKA Report (dated January 2018) which referred to the Development as "Juniper Village". Mr Frame explained that it was expensive to change the signage. He could not recall the conversation with the author of the CADISPA Study and the authors of the MKA Report had taken it upon themselves to use the name. He ultimately accepted the "Juniper Village" name had been used for a longer period than stated in his witness statement. He accepted that in the MKA Report it was suggested that

Braemore Estates were the developers for the Development and that the Distillery had been described as “renowned”. In respect of the latter, Mr Frame’s rueful answer was that “hindsight was a great thing”. He also accepted that he had continued to use “Braemore Estate” as the name of the developer in the 2012 extension of the 2017 planning permission and in the pursuer’s business plan and prospectus for the Development. He was pressed (under seven or eight individual passages from these documents) that in none of these was there a reference to “Tomatin Trading Company”. Mr Frame accepted that at that time the public face of the Development was Braemore Estates, which was the name of his principal business

[191] Mr Frame was questioned under reference to an article in The National newspaper dated 22 March 2018 (which was part of the media coverage in mid-March 2018) that the emphasis there had been the Development’s proximity to the A9 and the junction, not Tomatin village. His reply was that he was not the author of the article. Under reference to observations in the CADISPA Study (to the effect that there was nothing in the village of Tomatin to draw tourists or to make it a destination in its own right) and the MKA Report (that the tourism economy in the area was underperforming) he was pressed to accept that there was nothing at the moment to draw tourists. Mr Frame’s position was that these observations pre-dated the new café and business centre in the village.

[192] Mr Lake next sought to challenge as untrue a number of entries from the defender’s brochure for the Development (eg about the convenience of Tomatin as a stopping point for travellers or its proximity to the start of the North Coast 500). Mr Frame maintained that Tomatin village was well-known to hillwalkers, mountain bikers and people who fished. There was a lot to do there. The start of the North Coast 500 was only 15 miles away. Mr Frame maintained that Tomatin would be well known to anyone who travelled along the

A9. He accepted that one could not see the village from that road and that, since the A9 bypassed the village 40 years ago, there was no need to go into the village. Mr Frame also maintained that the Strathdearn Centre (containing a community hall, café, sports facility, shop and toilets) was a draw for tourists.

[193] Mr Lake put a number of entries from the defender's Business Plan to Mr Frame about the Development's target customer, with the proposition that there was no reference to attracting holiday makers. Mr Frame explained that this was a general document; the primary target was traffic on the very busy A9 (traffic numbers in August 2018 exceeded 13,500 vehicles daily), whether this was tourist, business or local traffic; and the secondary audience was the destination consumer and the "silver pound".

[194] Mr Lake next put the entries from the 2007 planning application and its design statement to Mr Frame, which referred to the (then) desire for the Development to be reminiscent of a "village square or a steading or a distillery" together with other similar passages. Mr Frame's answer was that the visuals of the Development had changed since then. Mr Frame accepted that the comment from the defender's Business Plan (and a near-identical comment from its website), describing "world renowned whisky brands – with one right on our doorstep" was a reference to the Distillery. He accepted that the description of the defender's Distillery as "world famous" elsewhere in the Business Plan was an exaggeration. In relation to the retail offer at the Development, this was rendered uncertain by the Covid pandemic and the defender would operate the retail units if tenants could not be found.

[195] Under reference to the marketing strategy in the Business Plan, which referred both to the "Tomatin Trading Company" and the "Tomatin Distillery", and which described the defender as "looking to harness any partner marketing activity with Tomatin Distillery, and

other tourist attractions such as Aviemore”, Mr Frame was challenged that the defender was seeking to rely on or take advantage of the pursuer’s name. Mr Frame explained that he was just trying to cooperate with neighbouring businesses. Nothing had come of any proposed tie up with the pursuer. He rejected the proposition that the defender was seeking to associate itself with the Distillery in order to enhance its own reputation. He was pressed on this: the defender’s brochure had sought to rely on the Development’s proximity to the Distillery as a means to distinguish it from the House of Bruar. Mr Frame acknowledged this statement, but it was simply stating the facts. The Distillery was near the Development.

[196] The email exchanges preceding the February 2018 meeting were put. The purpose of the meeting was to discuss the defender’s plans for the Development. Mr Frame accepted that, but not the contention that there had been no discussion of the pursuer’s plans for the Distillery. It was a polite meeting to discuss both businesses. Mr Frame wished to inform the pursuer of what was happening at the Site. Mr Frame maintained that Mr Bremner had mentioned the pursuer’s intention to reduce numbers at the Visitor Centre (which was uncontroversial) as well as the fact that the pursuer had mentioned it had no plans to develop the Visitor Centre. Mr Frame was questioned under reference to the statement in his email after the February 2018 meeting: “I believe it would be a great opportunity for The Tomatin Distillery Company to be involved with our whisky, merchandising experience.” He explained that while it had then been the intention to include a whisky-tasting experience, that was no longer the defender’s intention.

[197] The factual dispute of whether Mr Frame had handed over a business card to Mr Bremner and Mr Anderson at the February 2018 meeting, or one containing the words “Tomatin Trading Company”, was explored. The version of the business card produced as a copy of the one handed over at the February 2018 meeting was examined. The reverse of

that had the words “Tomatin Trading Company” printed over a 3-D image of the Development. Under reference to the Business Plan and some of the materials in support of the 2018 planning application, Mr Lake developed the proposition that the image on the card produced did not reflect the layout of the Development at that time (and, by implication, post-dated the February 2018 meeting). Mr Frame could offer no comment, other than to fall back on his earlier answer about hindsight.

[198] The proposed finishings for the Development were noted (eg dark grey roof made of corrugated material, a mostly single-story presentation, the use of some wood and some white exteriors, crow-step gables and chimneys, a stone frontage), as were some photos of other distilleries said to be representative of the idiom of that kind of building (eg also low buildings with pitched roofs and using stone or white render); and the proposition was developed that this all reflected the original approach (in the 2007 planning application) with the intention of creating a resemblance with the Distillery. Mr Frame rejected that proposition. These kinds of building materials were used throughout the Highlands and simply reflected the vernacular architecture.

[199] The different features of the Development were explored. Mr Frame accepted that it would be visible from the A9. He was challenged that the business of a hotelier was not the same as a trading company. Mr Frame explained that the Development encompassed a large number of uses. The whole idea of “Tomatin Trading Company” was that it was like a trading post. He acknowledged that neither a hotel nor a restaurant was itself a trading post, but the whole ethos was that it was a place to stop. People would engage in trade in the sense that they would buy things, or petrol or services. He did not accept that this was artificial or highly contrived. It was a business name. The defender would be a trading business. He did not accept that “Tomatin” was unknown as a place name and that it was

no part of the attractive force of the Development that it was near Tomatin village. He accepted that the principal attraction of the Site was that it was near the A9; that the signage for the Development would be visible from the A9 and that it was the defender's intention to use its name on it. It was absolutely not the case that the defender wanted to be close to or associated with the pursuer's established business. He also accepted (under reference to photographs, the Inquiry Report and an Ordinance Survey map) that a traveller coming off the A9 would see the Development first. He pointed out that the road signs mentioned the Distillery. He rejected the proposition that it made sense instead to use "Strathdearn" or "Highland" as the place name; Strathdearn was not well-known and "Highland" was ubiquitous. While the name "Tomatin Trading Company" was only one word different from "Tomatin Distillery Company", Mr Frame maintained that the defender had no intention to associate itself with the pursuer's business. The pursuer did not have a monopoly on the use of Tomatin, which was a place name, and which had been used in the past by many other businesses.

[200] Mr Frame was challenged on his statements that the pursuer was acting in bad faith when it registered the 2018 Marks. He still believed the pursuer had registered these as a spoiling tactic. The Tomatin Trading Company name was important to his business and it reflected the location of the Development. He accepted he had no knowledge of the terms of any advice the pursuer had obtained for the purpose of registering the 2018 Marks. He also accepted he had not named any of the persons whom he had quoted in his own witness statement asserting that they would not be confused about the Development and the Distillery.

[201] In re-examination, Mr Frame explained that he described the geographical location of the Development as within the curtilage of the village and next to the A9. Tomatin as an

area was wider than just the village; the village was spread out in the form of a ribbon development. Once the Development was built, the signage would state the name of the defender and the services on offer. It would not include the word “distillery”. If the A9 were dualled, the manner in which one reached the Development would change. The on/off ramps would be further south, with the effect that a traveller coming off the A9 would reach the Distillery first, not the Development. While he had used the name Braemore Estates in certain documentation in 2018, the name used for the Development in the mid-March media coverage had all referred to Tomatin Trading Company. While there had been a jam pot with the word “Tomatin” on the defender’s website, this had been taken down in March 2019 as soon as the pursuer’s agents had objected. It was for this reason that the 2020 business plan had not referenced the Distillery by name, but simply referred to the one “right on our doorstep”. He contrasted the features of the Development with the House of Bruar; the latter was essentially a clothing operation with a self-service restaurant, whereas the Development had a very different retail offering and an ambition to showcase the best of Highland food and artisanal products. It also would have a hotel and electric charging points for cars. The point of difference would be in the emphasis on its food offering and the fact that there was no competition in the immediate vicinity.

### ***Mr Bath***

[202] Simon Bath, who has been employed as a hospitality consultant to the defender since May 2020, has had a varied career. His most relevant experience was as the general manager of Carnegie Club at Skibo Castle for 12 years in the early 2000s. He stated that his knowledge and familiarity with “the area around Tomatin, the village and the wider Highland diaspora is extensive”. In large measure Mr Bath’s evidence duplicated that of



other witnesses (eg about the history and use of Tomatin as a place name, the nature of the pursuer's business, the pursuer's Application) or it was not evidence of matters within his direct knowledge (the pursuer's awareness of the Development or its motives in obtaining the 2018 Marks, whether others might or might not confuse the Development with the Distillery). So for example, great passages of his statements simply echoed the evidence of Mr Frame (eg the passages beginning "From my many discussions with Mr Frame...", or "Mr Frame's initial impression after the February 2018 meeting...") or the terms of the defender's documents Mr Frame had already spoken to. Other passages trespassed on matters which are for the court (the issues of trade mark infringement, the likelihood of confusion, passing off, the invalidity of the 2018 Marks, the extent the pursuer has any goodwill). The pursuer objected to many of these passages in its Note of Objections. I uphold all of those objections. I therefore do not record these chapters of his evidence, or the cross-examination of the same. Cross-examination confirmed that he had no direct knowledge of many of the matters in his witness statements; that he was essentially dependent on the documentation produced by the defender and was unable usefully to comment on much of it because it pre-dated his involvement with the defender.

[203] Mr Bath's relevant evidence was limited to the following:

- 1) Having visited the Visitor Centre, he did not believe it was credible as a retail experience;
- 2) Having reviewed the pursuer's marketing strategies for 2017 to 2019, he noted that these focused on the pursuer's global marketing and he did not note any "particularly highly intensive marketing strategy". He believed the figure of £10,800 spent on marketing the Visitor Centre was "an extremely low figure";

- 3) There have been a number of other businesses in Tomatin over the years, including the Strathdearn Community Centre, and he believed that the Distillery was not the only draw of visitors to the area. He mentioned a dozen or so shooting estates;
- 4) In cross-examination he was challenged on the defender's use of "Trading Company", but he explained that those words summed up well the broad offering at the Development. It made the visitor experience more engaging, a bit like the Tebay station near Penrith, and it helped the defender communicate the whole concept and distinguish it from others, such as the House of Bruar; and
- 5) In re-examination he confirmed that to the best of his knowledge and belief the defender was not supplying any goods or services as at spring 2021.

*Mr Lederer*

[204] Peter Lederer had extensive experience in the hospitality and drinks industry. Prior to his retirement in 2014, he had been the managing director of Gleneagles, a former chairman of Diageo and, more recently, he had been chairman of Visit Scotland (from 2001 to 2010), the Saltire Foundation and he was a past president of The Institute of Hospitality. He knew the pursuer operated the Distillery and Visitor Centre near Tomatin but he had not visited these. He explained that Diageo, whom he described as Scotland's largest exporter of Scotch whisky and other spirits, owned a number of Scotch whisky distilleries (including Dalwhinnie, Oban, Talisker among others). Since 2012 Diageo had committed some £150 million to upgrade 15 of their distilleries' visitor centres. While he acknowledged that the pursuer operated the same business model of using a visitor centre, he described Tomatin and Macallan as at different ends of the scale in relation to each other. From his

experience with Diageo, he opined that the Distillery was not known for anything other than single malt whisky. It “did not have a reputation in the UK for any other goods or services such as hotels or food and drink”. It was not uncommon for distilleries to derive their name from the local area or to share their name with other business local to them. He provided five examples where this was so and the business “living side by side” and complementing each other. From his knowledge and experience, “neither Tomatin village nor Tomatin distillery are known on a global basis”. In respect of the pursuer,

“I would say that Tomatin is not a big player in the Scotch whisky market. It is really a very minor player. In Scotland, without giving them any context, I think you would be struggling to find people who know what “Tomatin” is. In my opinion, only consumers with specialist knowledge would know Tomatin Scotch whisky. Certainly, if you asked an average consumer to name 20 Scotch whiskies, I would doubt Tomatin would be one of them”.

He explained in his parole evidence that those comments were from the perspective of the consumer; he was not saying the pursuer’s product was not good; he did not know their product. He believed that the Distillery and the Development are mutually advantageous. In his experience, “the consumer does not care who owns what business. They are concerned with the quality of service and experience”. He provided an example from his days at Gleneagles Hotel of a dispute with the Gleneagles Estate, which had objected to the former’s use of “Gleneagles”. He explained that Gleneagles was also a village and a geographical name. The estate could not object so long as the hotel used the full name “Gleneagles Hotel”. He deprecated the dispute between the parties as damaging and counterproductive. In cross-examination, which was brief, he confirmed the nature of his experience with Diageo and Gleneagles Hotel. He accepted “absolutely” that a distillery visitor centre may be very important to the local area.

*Mr Macleod*

[205] George Macleod lives at Melfort House near Tomatin and from which he runs the family businesses. He is also a director or trustee of several organisations in the area (eg Strathdearn Community Developments and the Inverness Harbour Trust). His evidence about the area Freeburn Inn confirmed that of the parties' experts. He confirmed that the local area is called "Strathdearn"; that the main village is called Tomatin and has many local amenities, including the new Strathdearn Community Centre as well as the local school. He noted the terms of the CADISPA Report and its reference to Tomatin. He also confirmed that Tomatin was known for a number of other things apart from the Distillery, including tourism and sports tourism (fishing, deer stalking and grouse shooting) and that there were many estates in the area. He had purchased the Tomatin Inn in 2007, a 200-seat restaurant, and had renamed it as the "Tomatin Country Inn". He had never had any complaints from the Distillery about its use of Tomatin. While that business had since closed, he believed the Inn and the Distillery supported each other in business terms. The Inn had hosted Distillery events. He had also run the Tomatin Country Store (the renamed Tomatin Shop, now the site of the Strathdearn Community Centre) and from which he had sold products from the Distillery. He named a number of other local businesses that used the name Tomatin. The points taken from him in cross-examination were the use of "Strathdearn" in relation to certain amenities, that the village had been bypassed by the A9 in the 1980s, and that the Freeburn Hotel and the Little Chef at the junction had been the real stopping points for passing traffic.

*Mr Usborne, Mr McGowan and Lord Macpherson*

[206] The parties agreed that the statements of three of the defender's witnesses (John McGowan, Edward Usborne and Lord Macpherson) would be accepted as their evidence in chief without the need for cross-examination, but subject to the objections stated in the pursuer's Note of Objections.

*Mr McGowan*

[207] John McGowan is the operations director of a private inquiry agency, called ID Investigations Limited, and the author of the Inquiry Report (summarised above, at paras [67] to [69]). Prior to that role he had been a senior inspector with the Federation Against Copyright Theft and a superintendent with Scottish Police (including with CID). He had 20 years' experience in investigating and reporting on brand protection matters. He carried out an investigation into the pursuer in the form of a review of its website, a visit to the Visitor Centre and taking a Distillery tour. He adopted the Inquiry Report. As noted above, his evidence was agreed.

*Mr Usborne*

[208] Edward Usborne, who has lived in Tomatin for more than 20 years, was Vice-Chairman of the Strathdearn Community Council for around 10 years (from 2009 to 2019). He is also a partner running the Tomatin Estate as a holiday venue since 2001. From his position on the Community Council, a statutory consultee of planning applications, he was aware of the defender's planning applications (from 2007 onwards) and that the village supported the Development. He described the Strathdearn area as quite spread out and that Tomatin village has the largest collection of houses within that area. He noted that other

local businesses in the past had incorporated “Tomatin” into their business name. He described the Site as a “prime location” just off the A9. He believed that the Development will raise the profile of Tomatin and benefit the business of the Distillery, as it would attract more visitors, although he understood that the Distillery did not want more visitors.

*Lord Macpherson*

[209] Lord Macpherson, who resides at Ardachy House near Tomatin, has lived in Tomatin all his life and worked in the local community. He is a former Vice-Chairman of Strathdearn Community Developments and is a trustee of the Strathdearn Community Trust. He runs the business known as “Tomatin Firewood” since 2011 from the family farm. He was aware of the proposed Development from early on, though he could not recall the name used in association with it, and regarded the design as tasteful. In common with Mr Osborne, he also confirmed that Tomatin is the heart of the Strathdearn area. Tomatin was a traditional Highland village and was known for the Distillery and for Tomatin Estate. He believed that the village of Tomatin existed long before the Distillery. He believed the Site was a great location for the Development.

*The experts' evidence on reputation/ brand awareness of Tomatin and who is the average consumer*

[210] The parties' experts each spoke to the pursuer's place and reputation in the whisky sector, who was the average consumer of the pursuer's Tomatin-branded product, and awareness of the pursuer's brand.

*Mr MacLean*

*The pursuer's reputation*

[211] In relation to the reputation of the Marks, in his principal report Mr MacLean stated that:

“[Before the distillery was built, the name ‘Tomatin’ will have been known only locally, and to a few sporting tenants on the Tomatin Estate.]

[...]

Between 1897 and 1963 [the Distillery] will have been known by the whisky trade. I should mention that the distillery manager after 1964, John MacDonald, was one of the best-known characters in the entire Scotch whisky industry.

When the whisky began to be released as a single malt, branded ‘Tomatin Highland Malt Whisky’, the name will have become familiar to consumers, especially since 1974 when the distillery was recognised as having the ‘largest capacity of any malt distillery’.

TDC [“TDC “is Mr MacLean’s abbreviation for the pursuer] began to release annual bottlings at different ages and finishes in 2004. Since then, its whiskies have won many awards, and TDC was voted ‘Distiller of the Year’ in 2016 and ‘Innovator of the Year’ in 2017 in the prestigious Icons of Whisky Awards. It states in the Summons (p.7) that the brand is now the 25<sup>th</sup> best-selling malt globally.

**Accordingly, it is safe to assume that the ‘Tomatin’ word mark is now universally known and respected by whisky enthusiasts, worldwide.**

**It goes without saying that considerable goodwill - even celebrity - attaches to the brand name, and there is no doubt in my mind that any goods and services bearing the name will be assumed to have been originated by TDC.** Worse, the use of the ‘Tomatin’ name by Tomatin Trading Company could do untold damage to TDC’s business and reputation (see below), and at the very least lead to confusion.”

(Emphasis added.)

The first and third passages in bold font are repeated as his conclusions. The defender challenges all of the statements highlighted.

[212] Mr MacLean also addressed the issue of brand awareness in his supplementary report. It is not necessary to rehearse his observations on the pre-2012 sales of the pursuer’s Tomatin-branded whisky, other than to note his conclusion (at the end of section 6) that:

“The very fact that Tomatin single malt is mentioned in these guides from the 1980s and 1990s indicates that the brand was **known to whisky enthusiasts.**” (Emphasis added.)

In a later section he addresses the issue of brand awareness in more detail:

“At 9.01 of his report, Mr Russell questions my claim that Tomatin is now ‘well known’, asking ‘...to whom and how many? The Tomatin name is known to single malt Scotch whisky aficionados’. **But it is precisely such ‘aficionados’ who are the key customers for the brand,** and for Scotch malt whisky generally, worldwide. It is impossible to quantify numbers, suffice it to say there are now hundreds of clubs dedicated to malt whisky around the world and large-scale whisky fairs attracting many thousands of enthusiasts in very many countries.

Evidence for Tomatin to be well known internationally may be found in production (6/155 spreadsheet) which shows that, in terms of market share, Tomatin ranked 4<sup>th</sup> in Israel, 7<sup>th</sup> in Japan, 7<sup>th</sup> in Russia, 15<sup>th</sup> in Germany and 17<sup>th</sup> in the USA. These rankings have also been highlighted in Article (Paragraph) 3 of Condescendence in the pursuer’s Summons.

Mr Russell also notes (paragraph 9.02) that new releases from Tomatin are not mentioned in the *Malt Whisky Yearbook 2021*. This is purely on account of limited space. In earlier annual editions (2006-2012) Ingvar Ronde listed ‘New Bottlings’, but in the 2012 edition he opens this section by writing: ‘It is virtually impossible to list all new bottlings during a year, there are simply too many...In this list we have selected 500 that were released from late 2010 until autumn 2011’. The section on ‘New Bottlings’ was subsequently abandoned, with a selection being included in his summary of ‘The Year That Was’.

In regard to Mr Russell’s comment (paragraph 11.05), I agree that ‘smaller brands’ might not necessarily register trade-marks for their non-whisky goods and services, but some have done – see Graham Eunson’s witness statement re Bowmore Darkest (in Class 43) and Morrison Distillers for their Clydeside Distillery (in classes 25, 41 and 43). Further, some of these ‘smaller brands’ will and have interdicted the mention of their brand-name when bottled independently – Glenfarclas is the leading example, where its chairman, John Grant, has frequently raised and won actions to prevent others using his brand-name.” (Emphasis added.)

He also responded to a passage in Mr Russell’s report, as follows:

“I agree that Tomatin is a respected single malt and relatively small, though increasingly known, player in the malt whisky market. But to compare the brand’s success in the UK market with the leading whisky brands in this market – The Famous Grouse, Bells and Glenfiddich – is absurd; the first two are blends and Glenfiddich is the best-selling Scotch malt whisky in the world”.



*Mr MacLean's cross-examination*

[213] Mr MacLean adopted his reports as his evidence in chief. Accordingly, the majority of his parole evidence was comprised of cross-examination by Mr Tariq, who appeared for the defender. Mr MacLean readily accepted and assented to the following propositions:

- 1) That in his statement that, from the Distillery's release of a single malt branded "'Tomatin Highland Malt Whisky' the name will have become familiar to consumers, especially since 1974", the "consumer" he was referring to was the single malt whisky aficionado. He acknowledged that the single malt whisky market only took off in the 1980s and that this brand was probably only available in the north of Scotland and it would have been familiar to local consumers. To the extent that the Tomatin Distillery was known at that time, it was because of its size in terms of production of whisky for blending, not for its branded single malt whisky;
- 2) That in the 1970s, before single malt whiskies became popular, they would have been "virtually unknown" in the UK and that even by 1981 less than 1% of malt whisky produced was released as a single malt whisky in the UK. Single malt whisky was a tiny fraction of the UK market going back to the 1980s. The vast majority of whisky produced was sold in bulk for blending. Single malt whisky comprised only about 10% by volume of the current share of the market in Scotch whisky sold in the UK;
- 3) That his statement that Tomatin "is now 'well-known', if not a household name" was not based on any market research, but was a matter of supposition because of coverage it has had in books and magazines. Further questions revealed that Mr MacLean was referring to entries ranking it in terms of quality. He also accepted that the class of person to whom it would be "well-known" was the "single

malt whisky aficionado" and the specialist retailer. He was not referring to the general public who purchased blended Scotch whisky. The single malt whisky aficionado was a relatively small segment of the Scotch-buying market. He accepted that the Tomatin brand was not well-known to the general buying public who buy Scotch whisky;

4) In terms of who was the typical consumer of Tomatin-branded single malt whisky, this was the single malt whisky aficionado or a single malt whisky drinker who wished to become more knowledgeable. He explained that single malt whisky drinkers were pluralists; they tended not to be loyal to a brand but liked to explore and to feel that they make their own discoveries. For that reason, the conventional wisdom in the industry was that advertising spend by producers was unlikely to be effective and, by inference, could even be counterproductive (because if it was well-known or widely advertised it was not there to be "discovered");

5) Mr MacLean readily accepted that his statements, "that the 'Tomatin' word mark is universally known and respected by whisky enthusiasts, worldwide" and that it had "considerable goodwill - even celebrity", were also made without research but were simply assumptions he made. He readily accepted that it was an overstatement to speak of "celebrity";

6) Under reference to the Global sales figures, which put Tomatin single malt whisky at 0.6% of the global market, he accepted that there were several huge global brands, which had been early movers into this market and who still retained their advantage. He appeared slightly disappointed to note that in the UK, Tomatin had only 0.3% of the UK market share and was ranked 39<sup>th</sup> of all producers of single malt whiskies. He accepted, in light of those figures, that Tomatin was not well-known

among the general whisky-drinking public in the UK. There may be many brands that are well-known to the general public who might buy Scotch malt whisky in the UK, but Tomatin was not a leading brand by any means;

7) It was “absurd” to compare Tomatin’s success as a single malt whisky with the leading whisky brands in this market;

8) That one of the reasons why Tomatin was not well known to the general public who buys Scotch is because, unlike the big brands, it is not heavily promoted. This was because the single malt whisky aficionado liked to make their own discovery and that, unless a major brand was competing for a place in a supermarket, it was a “waste of money” to do straightforward advertising;

9) He stood by his statement that “any goods and services bearing the name [of Tomatin] will be assumed to have been originated by” the pursuer. He posited that visitors to the Development would be likely to assume it was part of the Distillery and he did not understand why the defender was so keen to use the “Tomatin Trading Company” name. In his view, it implied that the Development was an extension of the Distillery. He thought there was a bit of “piggy-backing” by the defender, as a lot of people will have heard of the Tomatin Distillery and no one will have heard of Tomatin village.

No evidence of any materiality was elicited in re-examination.

*Mr Russell’s evidence*

[214] Like Mr MacLean, Mr Russell prepared a principal and a supplementary report, the latter prepared after having seen Mr MacLean’s principal report. He adopted these as his evidence in chief.

[215] Mr Russell's remit was similar to Mr MacLean's. This was: to consider

Mr MacLean's report and the following questions:

- "1) Where is Tomatin whisky sold? What is the usual purchasing process (is it mostly online)? How many visitors are likely to be attracted to the Distillery each year? Is its current business offering (a website and small visitor centre) consistent with other distilleries?
- 2) Tomatin Distillery's place in the wider market for Scotch whisky – for example, is it a big player? What is it known for? Where does it rank as a Scotch whisky brand in the UK?
- 3) Is Tomatin Distillery known for anything other than single malt Scotch whisky? Does it have a reputation in the UK for any of the goods/services for which the 2018 trade marks are registered?
- 4) Is it common for distilleries to offer the goods / services for which the 2018 trade marks are registered? How many other distilleries have pursued the same strategy of registering trade marks for a wide array of goods and services? Do those distilleries differ from Tomatin Distillery?
- 5) Is [the defender's] proposed development the type of business normally associated with distilleries?
- 6) Is [the defender's] proposed development likely to have an impact on Tomatin Distillery's reputation and business? Is it likely to be a positive impact if it draws visitors to the area?"

*Mr Russell's evidence on Tomatin's reputation and brand awareness*

[216] Mr Russell produced a first report and a supplementary report responding to Mr MacLean's first report. In common with Mr MacLean, he divided his consideration of the pursuer's sales, reputation and advertising into the periods before and since 2012.

*Tomatin's branded sales and reputation pre-2012*

[217] After the Second World War the Distillery's production was gradually increased until it had the largest production capacity in Scotland. Throughout the 1980s and 1990s the greater part of its output was sold to other companies. It used some of its product in its own

blended Scotch (eg “Big T”). However, Tomatin as a single malt whisky was not widely available at this time. Tomatin was bottled and sold as a single malt Scotch whisky in relatively small quantities under the brand name before 2012. It was best known not for a brand of single malt Scotch whisky, but as a large distillery which produced single malt Scotch whisky for bulk sales and for blending with other whiskies, to be sold under different brand names. In his view, Mr MacLean’s statement that Tomatin was sold as a branded single malt in 35 countries by 1983 is based on a misreading of the source relied on (Philip Morrice). Correctly understood, Mr Morrice was referring to the entire range of products sold by the pursuer’s predecessors (Tomatin Distillers PLC) and of which Tomatin-branded single malt was “only a very small amount”. At that time, the Distillery was primarily a supplier of bulk stocks and blended products. It bottled only a limited quantity of single malt whiskies under the Tomatin name. This was borne out by the paucity of references to Tomatin in rare whisky guides and auction data. Nor was the Tomatin single malt whisky highly-rated as a single malt in the 1990s and early 2000s. In support of this, reference was made to a book by the pursuer’s expert and to a volume regarded as one of the best-selling guides to Scotch whiskies.

*Tomatin’s branded sales and promotion since 2012*

[218] Mr Russell noted that in recent years there has been a great expansion of the Tomatin range of core expressions and limited editions, and more enthusiastic reviews. While sales have increased in some markets, they remained “relatively modest, in the UK and globally” in comparison to the leading Scotch whisky brands. He concluded that as of 2021 “Tomatin is not a brand that is well-known to the majority of whisky drinkers in the UK”. In seeking

to explain why that is the case, Mr Russell considered the pursuer's sales channels and advertising and promotion activities.

[219] In respect of its sales channels, Mr Russell had reviewed the statements of the pursuer's witnesses who spoke to the pursuer's marketing and sales strategy, namely Mr Bremner and Ms Masson. From these he noted that the pursuer's strategy in the UK appeared to have been to concentrate on building brand awareness and pushing sales to whisky connoisseurs through specialist retail outlets and e-commerce channels, before developing sales in mass retail outlets (such as supermarkets). This was a proven strategy for developing recognition among single malt whisky aficionados and achieving higher values of sales (rather than higher-volume but lower-margin sales). However, single malt whisky aficionados are "a small minority" of Scotch whisky drinkers. Mr Russell accessed the pursuer's website in December 2020 and noted that the Tomatin brand was sold in the UK principally through specialist whisky shops (such as Robertson's of Pitlochry and The Whisky Exchange, and in some bars), as well as some online retail businesses. It sold an exclusive range on some airports. He noted that the Visitor Centre was a significant outlet for Tomatin's sales in the UK.

[220] While it is generally accepted in the whisky industry that greater brand awareness and recognition can be achieved by using mass outlets, such as supermarkets and duty-free outlets at airports, the pursuer had not made wide-spread use of these outlets. Mr Bremner had acknowledged that the availability of Tomatin single malt whisky for sale in Tesco stores in Scotland was limited. Mr Russell's own search of the Tesco website in mid-January 2021 for Tomatin produced a nil return. A search of the pursuer's own website did not list any airport or travel retail outlets.

[221] From all of this, Mr Russell concluded that the pursuer's marketing efforts had "focused quite tightly on two groups within the niche of single malt Scotch whisky sub-category – single malt explorers and single malt aficionados – who form an enthusiastic but relatively small cohort of Scotch whisky drinkers".

[222] In respect of advertising and promotion, these are key to achieving sales. From his experience in the industry, it can be a challenge successfully to promote brand awareness in what is a "crowded market". He had found no evidence that the pursuer had used any of the standard methods of attracting attention (eg by a celebrity tie-up, high profile sponsorship deals or television, print or other media advertising) to promote brand awareness in the UK, to any extent beyond the north of Scotland.

*The pursuer's ranking and reputation*

[223] Mr Russell also considered the UK and Global tables ranking brands according to the volume of sales of single malt whisky. Globally, this is a crowded market. By comparison with Tomatin's ranking as the 25<sup>th</sup> best-selling single malt whisky brand (with a sales of 67,800 9L cases in 2019), the market leaders (such as Glenfiddich and Glenlivet) sold 1.4 and 1.2 million cases. That volume was itself dwarfed by the sale of blended Scotch; Johnnie Walker, for example, sold 19 million cases in 2018. Moreover, there are other types of whiskies which are not Scotch. Irish, American, Canadian and Japanese whiskies all compete with Scotch whisky for global sales. Jack Daniels achieved sales of 13.4 million cases in 2018.

[224] The table of UK sales was more relevant to the issue of the pursuer's sales and reputation in the UK. On this data, Tomatin was ranked 39<sup>th</sup> in sales of single malt whisky with sales of 3,000 cases in 2019. By contrast, on the figures the pursuer provided, the

market leaders sold exponentially more than Tomatin: Glenfiddich sold nearly 95,000 cases (32 times as many as the pursuer) and Laphroaig sold more than 75,000 cases (or 25 times the volume of the pursuer). He concluded that “Tomatin is clearly far from being one of the well-known brands in this sub-category of Scotch whisky” assessed in terms of sales.

Moreover, not only was Tomatin “a small brand within the single malt whisky sub-category, it was dwarfed by sales of the leading brands of blended Scotch whisky in the UK”. In 2018, for example, Famous Grouse, the market leader (with 25.72% of the UK market), sold 1.622 million cases.

[225] He concluded that from the evidence of Scotch whisky sales in recent years, Tomatin remains “a relatively small player in both export and UK Scotch whisky markets, and an even smaller player in the market for all types of whisky.” He did not question the quality of the product, and therefore assumed that sales reflected “low brand awareness/recognition among Scotch whisky drinkers.”

“Tomatin was bottled and sold as a single malt Scotch whisky in relatively small quantities under the brand name before 2012. It was best known not for a brand of single malt Scotch whisky, but as a large distillery which produced single malt Scotch whisky for bulk sales and for blending with other whiskies, to be sold under different brand names.”

[226] While acknowledging that the pursuer has a strategy for growth which focusses on increasing brand awareness within a segment of a Scotch whisky-buying consumers, in his opinion Mr MacLean’s assertion that Tomatin is “well-known” required to be “strongly qualified”. In Mr Russell’s view, Tomatin was known to single malt whisky aficionados, a segment he characterised as a growing but “still very small segment” of the whisky-buying public in the UK. He considered the brand’s sales to be “diminutive when considered within the category of Scotch whisky”, which he characterised as “a crowded market which



includes hundreds of brands and a great number that are better known to whisky drinkers in the UK". He demonstrated this by reference to the "Malt Whisky Yearbook 2021", a highly-regarded guide. This volume lists single malt whisky expressions from Scotland's distilleries, from the most famous to the least. The reader may search for a specific name by alphabetically-listed entries. In a separate section on new releases in 2020, there was no mention of any Tomatin product, notwithstanding that the pursuer had launched a Tomatin Fino Sherry Cask Finish and a Tomatin 21 year-old expression for the travel retail sector. He regarded it as "significant" that the author of the Malt Whisky Yearbook 2021 did not bring the Tomatin brand or any of its new products to the attention of readers. By comparison, he noted that there were ample references to lesser-known and more recently established distilleries. He surmised that it was unlikely that the Malt Whisky Yearbook 2021, an annual publication which was considered to be a valuable reference work by single malt whisky aficionados, would omit from its scope a brand that was "well-known". He also observed that the pursuer had not produced any consumer research to quantify the level of brand recognition of Tomatin in the UK, or to support the position that Tomatin was a widely-recognised brand within the Scotch whisky category or by the general public in the UK.

#### *The Visitor Centre*

[227] Mr Russell commented on the numbers of visitors to the Visitor Centre in 2018 (derived from the SWIR 2019 data). In 2018, the Visitor Centre attracted 55,379 visitors. This was the first year in the period 2007 to 2018 that the number of visitors was greater than that recorded for the first season after the opening of the Visitor Centre (from May to September, in 1992). In 2018, for the first time, sales exceeded £1 million. He understood that this was as a result of the pursuer achieving a significant increase in the average spend per visitor.

Income from sale of whiskies accounted for most of this income. Visitor centres were becoming recognised as important profit-centres, not least because the profit margins on bottled whisky were likely to be much higher where the producer was also the retailer. A visitor centre was important in attracting customers to shop and to try out the product at the visitor centre's bar, after having learned or become enthused about the brand during a distillery tour. From his own experience, he was aware of other distillery visitor centres which restricted the size of the centre and its car park, in order to discourage coach trips or casual visits by tourists in transit seeking a comfort break. By this means the genuine whisky enthusiasts would have a more bespoke, enhanced experience, with the view to these kinds of customers purchasing rare, limited edition or premium whiskies.

[228] In relation to the Tomatin-branded retail offer, this was similar to that of other distillery visitor centres, and was comprised of clothing (T-shirts and polo shorts), foodstuffs (jam, biscuits and chutney) and glassware. Mr Russell observed that the report of the private investigator employed by the defender had also noted scarves and carrier bags, as well as "Loch Ness" water in miniature bottles, a few books about whisky and unbranded and branded wooden craft items (clocks and tea-light holders). The only branded foodstuffs on offer at that visit were souvenir boxes of whisky fudge. Mr Russell was not aware of any other retail outlet, other than the Visitor Centre, which offered the pursuer's non-whisky branded items for sale. The pursuer's branded retail offering on its website comprised nine items: a gift card, a triple pack of whisky miniatures, a bobble hat, a shopping bag, a bar runner and a pin badge. He characterised these as "a very limited range of inexpensive branded goods". He could not see how this could be a "valuable business" for the pursuer. These items appeared to be geared toward advertising the pursuer's whiskies. He could not recall seeing anyone apart from the pursuer's employees wearing Tomatin-branded

clothing. If he saw an item such as a mug or shirt bearing the word "Tomatin", or the names of places such as Oban, Aberfeldy, or Craigellachie, he would not consider these to be related to the distillery in any of those places, unless they bore the stylized version of the band name or logo, or both. He did not believe it was common for single malt whisky brands to register trade marks for non-whisky goods and services. Mr MacLean had referred to the single example of Johnnie Walker having a registered trade mark as part of its global promotion activities, but in his view that was a famous international brand which sold branded merchandise around the world for many decades. Its trade-name was not a place-name.

[229] In Mr Russell's view, the Visitor Centre did not carry the full range of goods and services (such as a food-hall, general bookshop, garden equipment and furniture etc) which one might expect to find in a retail development near a major highway. He noted as examples the House of Bruar and (to a lesser extent) the Brechin Castle Centre. He was not surprised at this as the prime purpose of a distillery visitor centre was to promote and sell whisky; it was not a general retail outlet. Moreover, he had found no reference to a café or restaurant in the Visitor Centre in the 28 years since it had opened. Having regard to the present-day offering of the Visitor Centre, Mr Russell did not believe that the Development would compete directly with the goods and services offered at the Visitor Centre.

[230] In Mr Russell's view even long-established distilleries do not have the right to the exclusive use of a place name for all of their branded goods and services. He noted from an analysis of trade marks listed in schedule 1 of The Scotch Whisky Regulations 2009 ("the 2009 Regulations") that the class 33 registrations for Aberlour and Bunnahabhain carried the proviso that the mark be used in relation only to Scotch whisky and that the registration gave no right to exclusive use of the word "Aberlour".

*Mr Russell's comment on the Development*

[231] He was asked to comment on how the Development might impact on the pursuer's business. He was not aware of any distillery that sold fuel. While a few distillery visitor centres offered café or restaurant facilities (eg The Glenlivet, Ardbeg and The Macallan), it was less common for distilleries to offer dining facilities if they were close to other food outlets. This was because it was considered undesirable to leave distillery premises open to the general public at night. In his view, a café or restaurant at the Development might generate a greater number of visits to the area from travellers on the A9 and from local people. The Tullibardine Distillery had benefitted in this fashion from the nearby Baxter's retail outlet and restaurant. In relation to the Development's proposed Holiday Inn Express hotel, this catered for a very different visitor experience than the small boutique-type offering at the few distilleries that offered overnight accommodation (and of which Tomatin was not one). In the event the pursuer built a hotel, it was likely to be in a different market than what was proposed at the Development. It was unlikely that the Development would sell Tomatin-branded items, unless the pursuer agreed to this and provided these items to the defender.

*Mr Russell's conclusions in his first report*

[232] Mr Russell summarised his conclusions as follows (omitting his conclusion on Tomatin as a place):

"Tomatin was bottled and sold as a single malt Scotch whisky in relatively small quantities under the brand name before 2012. It was best known not for a brand of single malt Scotch whisky, but as a large distillery which produced single malt Scotch whisky for bulk sales and for blending with other whiskies, to be sold under different brand names.

### 13.03 Tomatin Single Malt Scotch Whisky

As a single malt Scotch whisky, Tomatin today is a respected name within the Scotch whisky trade. However, **it is a small player within the Scotch whisky market**, rated only 39<sup>th</sup> in the list of best-selling single malt Scotch whiskies **and far lower in any list of best-selling Scotch whiskies.**

Tomatin is not promoted in the UK on the scale of well-known brands such as Famous Grouse, Bell's and Glenfiddich, and has limited availability in mass retail spaces such as supermarkets. **Comparatively small sales figures suggest it has not achieved widespread brand recognition among Scotch whisky drinkers in general,** and its sales are dwarfed by many of the better-known Scotch whisky brands including those referred to in section 8, above.

### 13.04 Tomatin Distillery Visitor Centre and Ancillary Services

Visits to the Tomatin Distillery Visitor Centre have increased by around 10 per cent in the 26 years between its opening in 1992 and 2017. Despite this relatively small increase, sales of goods at the [Distillery's Visitor Centre] now exceed £1 million – but those sales are mostly of Scotch whisky.

The distillery offers tours, a limited range of branded goods in its shop, and has no café or restaurant facility. Its other branded goods appear to be sold only at the [Distillery's Visitor Centre], with a more limited selection available to order from the company's website. **It is not a significant retail outlet for goods or services other than those related to its brands of Scotch whisky.**

I do not know of any Scotch whisky [distillery's visitor centre] which has developed a retail outlet such as, and on the scale of, the one proposed by [the defender]. I think it unlikely that [the pursuer] or any other company would invest in the development of such a retail outlet at a distillery.

### 13.05 [The pursuer's] reputation in relation to its trade marks

Until the last decade, the Tomatin Distillery was known primarily as a producer of bulk stocks for blending by other companies, and to a lesser extent for its own blended Scotch brands. The name was little known outside the north of Scotland, and in the Scotch whisky trade.

Since 2012, TDC has made great strides in developing retail sales of the Tomatin as a bottled single malt Scotch whisky, and has opened a [distiller visitor centre]. However, the statement that Tomatin is 'universally known and respected worldwide' (Charles MacLean's Conclusions, v) seems to me to be a very great exaggeration.

It is not heavily promoted in the UK, to the extent of leading brands of Scotch whisky such as Famous Grouse, Bell's and Glenfiddich. Nor does it have the brand visibility that such brands enjoy in mass retail spaces such as those in supermarkets and travel retail outlets. It remains a niche brand within a niche market, in the UK and internationally.

**13.06** [The defender's] use of its proposed trade marks and the impact on [the pursuer]

Charles MacLean states that 'any goods and services bearing the [pursuer's] word or figurative marks will be assumed to have been originated by [the pursuer]'. But I do not know of any proposal by [the defender] to use the [the pursuer's] figurative marks.

If [the pursuer] has a concern that the use of the word 'Tomatin' is an issue in this regard, then one might have expected the company to have attempted to prevent the use of the word in the names of other businesses in the past.

Tomatin is known and has long been known as a place, just as are Oban, Craigellachie, Ben Nevis and many other places which have distilleries named for them. I would not expect any item bearing the name of one of any of those other places to have originated from the distillery or its owner, unless it bore the whisky brand's logo.

I believe that most people who go to Craigellachie, for example, do not assume that the Craigellachie Hotel is owned by the same company as the Craigellachie Distillery. Or that in Dufftown, The Whisky Shop Dufftown is owned by the same company as Dufftown Distillery.

**13.07** As someone who has worked in the whisky business for more than 30 years and purchased and read about whisky for much longer, I do not think that Tomatin Trading Company sounds like the name of a Scotch whisky brand nor a Scotch whisky distillery owner.

I do not know of any Scotch whisky distillery which has the name 'Trading' in its distillery name, nor in its brand name." (Emphasis added.)

*Mr Russell's supplementary report*

[233] In his supplementary report, Mr Russell responded to points made by Mr MacLean in his principal report. The relevant topics are as follows:

- 1) *Tomatin-branded whisky sales pre-2012*: Mr Russell rejects Mr MacLean's emphasis on the fact that, unlike the majority of malt whiskies, Tomatin single malt

whisky was bottled in limited quantities in the 1960s and 1970s. There was simply no evidence that Tomatin was well-known to Scotch whisky drinkers. The point was that most drinkers of Scotch malt whisky did not have access to single malts before the 1980s. As at 1978, single malt whiskies accounted for less than 1% of the world market for Scotch. In Mr Russell's view, given that the relevant market was a "niche market" which accounted for "just 1 per cent of all Scotch whisky sales," it would be "incredible" that Tomatin would be well-known to Scotch whisky drinkers.

2) *Advertising and promotion since 2012*: Mr Russell also responded to Mr MacLean's stated lack of any knowledge of malt whisky being advertised on TV or bill-boards. Mr Russell provided a number of examples of these forms of advertising by Glen Grant (whose "whisky expert" character, Michele, became a cult hero in Italy), Glenmorangie (the first single malt whisky brand to advertise on TV in the UK, in the late 1990s and early 2000s), The Macallan, The Glenlivet and Glenfiddich. He also gave examples of bill-board advertising by some of these brands as well as others (eg Highland Park). Mr Russell did not accept as conclusive Mr MacLean's description of single malt whisky consumers as being:

""explorers' and 'pluralists' (they do not stick with one brand), which is why exposure through social media recommendations has become so important." Leading brands do all these things, but they also invest heavily in television, print media and outdoor media to increase reach and increase brand awareness among Scotch whisky drinkers, beyond the narrow market segments identified by Mr MacLean in the niche market of single malt Scotch whisky drinkers." (Emphasis added.)

In reply to Mr MacLean's description that it was "absurd" to compare Tomatin's volumes of sale with the market leaders in blended whiskies (such as Johnnie Walker, The Famous Grouse etc), Mr Russell justified this approach. He had been asked to consider the brand awareness of Tomatin among Scotch whisky drinkers;

those drinkers were predominantly drinkers of blended whiskies who demonstrably preferred the leading brands. Considered in the context of the UK market in single malt whiskies, it remained his view that Tomatin was a relatively small player.

3) *Brand awareness/reputation in the UK:* Mr Russell agreed with Mr MacLean that the key market for single malt whiskies was the single malt whisky aficionado. However, that was not the only market. In his view, the pursuer was not at present seeking to increase its awareness among Scotch whisky drinkers in general or to recruit new drinkers to its brand as, for example, The Glenlivet, Glenfiddich or the Macallan seek to do. In his opinion, brand awareness remains “restricted at present to the highly-engaged but still very small segment of the Scotch whisky market”. Mr Russell did not criticise the pursuer’s approach: it was following a tried and tested formula for brand-building. But it explained why Tomatin was only the 39<sup>th</sup> best-selling single malt whisky in the UK and “was not well-known” to the wider group of Scotch whisky drinkers. He regarded Mr MacLean’s statement that Tomatin was “respected world-wide” as a very great exaggeration.

4) *Mr MacLean’s conclusions:* Mr Russell agreed with certain of Mr MacLean’s conclusion that Tomatin was known to single malt whisky aficionados from the 1970s, but that was “a very small segment” of Scotch whisky drinkers. He reiterated his other conclusions, including that the purpose of a visitor centre at a distillery was to sell whisky, and that was the context for his observations about the limited retail offering of non-whisky branded merchandise. While the pursuer had obtained the 2018 Marks in respect of other classes of goods and services, the pursuer “does not have or appear to be currently developing a significant or any trade in



other goods or services”, such as those the defender proposed to offer through its shops, hotel or restaurant.

*Mr Russell's parole evidence*

[234] Mr Russell's experience in the whisky industry included being an archives consultant to Chivas Brothers for 11 years, during which time he established the company's brands archive at Strathisla Distillery and he also undertook research related to the defence of the Glenlivet trade marks. He had also undertaken trade mark-related research projects for a number of other distillers. He was also a brands heritage manager for Glenmorangie, which was a subsidiary of the luxury goods company, LVMH Moët Hennessy.

[235] Mr Russell drew a distinction between the single malt whisky aficionado and the single malt whisky explorer. The latter are, as Mr MacLean explained, interested and move from one brand to another; they are a subset of the single malt whisky aficionado. Single malt whisky aficionados may also explore to some extent, but they are happy to stay with their preferred brands.

[236] He explained that the SWIR was an industry body that collated data provided by subscribers within the whisky industry. In relation to the pursuer's spreadsheets showing the prestige and prestige plus band single malt whiskies, he explained that it was no longer unusual to pay, say, £75 per bottle of single malt whisky. At that price point, one was still talking about drinking the product. At the higher price points of prestige and prestige plus, these were either bought to impress or, more typically, as an investment – much in the way expensive watches or paintings were bought as investments. He would be very, very surprised if these kinds of products were found in mass retail outlets. He did not regard these spreadsheets to be complete: Glenmorangie had had six releases, but these were not

included. He was also puzzled that Ardbeg was ranked at the bottom. It had single cask releases as well as multiple expressions and he believed that these were not reflected in the figures. Moreover while the pursuer had added in figures to reflect sales via the Visitor Centre, comparable figures from sales at other visitor's centres would not be included in the SWIR data.

#### *Cross-examination*

[237] In cross-examination, Mr Russell accepted the general proposition that sales of Tomatin in Tesco shops would enable it to reach a wider market. However, Mr Russell explained that such outlets were not usual for the single malt whisky aficionados. There was no challenge to his own online search, which had produced a nil return for a search of a Tomatin products on Tesco's website. The need for a build-up of stock was explored with him, including the need to have a supply of different aged cases, in order to ensure the ability to construct a consistent single malt whisky product.

[238] The Distiller's early foray into a promotional film, with John Lawrie (of "Dad's Army" fame) was put to him as unique. Mr Russell did not demur, but his recollection was that it had been filmed in the Freeburn Hotel (not the Distillery), and that it had been to promote the Distillery, not Tomatin as a brand. A number of the pursuer's collaborations were put to Mr Russell, including one with Black Isle (a whisky-flavoured beer) and with Deans (a Tomatin single malt whisky fruit cake), the pursuer's sponsorship of Inverness Thistle Football Club (with "Tomatin malt whisky" displayed on the strips), its stall at the Belladrum Festival and the pursuer's Facebook page giving away tickets to the BBC Good Food Winter show at Birmingham's NEC. Mr Russell acknowledged these examples, but observed these were reaching relatively small numbers of the public.

*Re-examination*

[239] In re-examination, he was asked to explain his comment (in one of his reports) about “the challenge” in promoting brand awareness. The challenge was creating brand awareness – “getting noticed” in a “crowded UK whisky market”. The standard methods of doing so were through television advertising, print media, billboards and posters. He had seen no evidence that the pursuer had employed any of these means to any great extent, beyond the north of Scotland. Nothing of what had been put to him in cross-examination (noted in the preceding paragraph) changed his view on the issue of brand awareness. He elaborated: every brand believes it is well-known. However, it was necessary to “grab the attention” of the average consumer. Even the bigger brands found this hard to achieve, especially in a crowded market. It was “difficult to elbow your way onto the market”. He respected the Tomatin brand in terms of its quality, but it was not particularly well known in the UK Scotch whisky market. He had not seen any market research. Accordingly, in terms of the sales data for single malt whiskies in the UK, Tomatin was only 39<sup>th</sup> in the UK. It was not in the top 20. When he had worked for other brands (eg Glenmorangie), Tomatin had never been included as a competitor to those brands. In terms of the whole UK whisky market (ie blended as well as single malt whiskies), the brand awareness of Tomatin was “very, very low”, like many of the other single malt whisky producers. It took a very high investment to become well-known in this market.

## Discussion

### *Comment on credibility and reliability*

[240] The pursuer challenged the credibility and reliability of Mr Bath and Mr Frame. While the defender was more circumspect, it challenged passages in the evidence of Mr Bremner as lacking credibility. It will be apparent from my consideration of the evidence of these witnesses, below, that there are certain matters on which I do not find them credible. Mr Bremner was particularly prone, at times, to overstate or exaggerate matters. He was evasive in his answers about the pursuer's proposals for the Visitor Centre falling within the Additional Classes. It will be apparent from the evidence of Mr Frame which I have already noted, that he was not always able to provide a credible answer to some matters put to him (eg that the image of the Development on the reverse of the business card produced, and said to have been handed over at the February 2018 meeting, postdates that meeting). That issue notwithstanding, the relevant evidence Mr Frame was able to give was in relatively short compass; Mr Bath's relevant evidence was in even shorter compass. I indicate in the course of my discussion, below, the specific chapters of evidence of these and other witnesses on which I was unwilling to place any reliance.

### *Who is the average consumer?*

[241] I have had the benefit of very careful and full written and oral submissions. I intend no discourtesy to counsel if I do not rehearse these. I have had regard to these and the cases cited and helpfully produced in a number of lever arch files, including the files of supplementary authorities. Having just recorded the experts' evidence relevant to the issues of (i) who is the average consumer of the pursuer's products and (ii) the nature of the pursuer's reputation (relevant *inter alia* to section 10(3)), it is convenient to deal first with

those issues - not least because they are relevant to more than one of the legal grounds for infringement or invalidity. The conditions to establish the statutory grounds are set out below (at paras [258] and [259]).

[242] As noted above, “the average consumer” is a legal construct to be determined by the court. That concept is integral to some of the criteria to be met in establishing the statutory grounds for infringement (eg the identity or similarity between the trade mark and sign in question, the perception of a link between them and the likelihood of confusion).

Notwithstanding the apparent differences of opinion between Mr MacLean and Mr Russell in their reports (eg on matters of the pursuer’s reputation), their considered and common position (which, of course, informs but does not bind the court) was that the average consumer of the pursuer’s Tomatin-branded whisky was the “single malt whisky aficionado” or the “single malt whisky explorer”. Mr MacLean’s opinion was that “The Tomatin name is known to single malt Scotch whisky aficionados. But it is precisely such ‘aficionados’ who are the key customers for the brand”. In Mr Russell’s opinion,

“The Tomatin name **is known to single malt Scotch whisky aficionados** – a growing but **still very small segment of the whisky-buying public**. The brand’s case sales are diminutive when considered within the category of Scotch whisky, a crowded market which includes hundreds of brands and a great number that are better known to whisky drinkers in the United Kingdom.” (Emphasis added.)

This is consistent with the following passage of evidence of one of the retailers, Mr Gibson:

“Since, by [the pursuer’s] choice, it is not generally found for sale in supermarkets, it is most likely to be purchased by those who are interested in whisky and who either buy it on line or in specialist shops such as ours in Dumfries, where staff can talk knowledgeably to a customer, who is maybe wanting to try something new, to help to inform them in making their choice.”

No contrary evidence was led, and I accept that the average consumer of the pursuer’s product is the “single malt whisky aficionado” or the “single malt whisky explorer”.

*Tomatin's reputation in the United Kingdom*

[243] The evidence relevant to the issue of Tomatin's reputation in the United Kingdom (eg such as to engage section 10(3)) was in surprisingly short compass. No evidence in the form of market research was produced. The principal evidence came from the parties' experts. There was also the limited evidence from the spreadsheets relative to the pursuer's rankings by sales and market share in the single malt whisky sector in the United Kingdom. While in submissions the pursuer's senior counsel sought to dismiss the evidence of the spreadsheets of global and United Kingdom sales of single malt as a red herring, both experts had regard to these figures in coming to their views. In the context of assessing reputation, the figures of market share and ranking are clearly relevant, even if, as Mr Lake rightly says, these are not determinative of reputation or brand awareness.

[244] In this context the relevant geographical scope of the Marks is the United Kingdom. Notwithstanding that, the pursuer elicited evidence about its global rankings for its total output (the pursuer had a higher ranking in global terms). This evidence is peripheral to the question of the pursuer's reputation in the United Kingdom (which can only arise in respect of branded products and services sold or provided in that market). On the evidence, the vast majority of the pursuer's product was exported for blending by third parties. The pursuer's witnesses listed the international awards it had won. However, there was no evidence to indicate how the prominence or ranking of the pursuer globally, or how any awards it has won internationally, might come to the notice of the general public in the United Kingdom. Within the United Kingdom, figures were produced to vouch the pursuer's volume of sales as well as its rankings, in terms of total output and in the single malt whisky sector. It was under reference to these figures for Tomatin (namely, its market share of 0.3% of the United Kingdom market in single malt whisky and its ranking of 39<sup>th</sup>)

that Mr MacLean readily accepted that the pursuer was not a well-known brand among the whisky-drinking public in the United Kingdom.

[245] In coming to their view on the issue of reputation, Mr MacLean and Mr Russell made reference to matters such as the pursuer's marketing and channels of distribution. It was acknowledged that the amount of advertising and promotion and the use of mass retailers were vital elements to generate large sales and to create significant brand awareness. The pursuer's witnesses who spoke to these matters (Mr Adamson, Ms Masson and Mr Bremner) also acknowledged the importance of promotion and advertising spend as well as the need for access to mass retailers in driving increased sales and brand awareness, and they explained some of the barriers the pursuer faced in availing itself of these means.

[246] On the pursuer's evidence, from about the mid-2010s it began to consider building a coherent brand with "authenticity" or "a story" to better attract its target-market for its single malts (as described by Mr Adamson and Ms Masson), and it undertook a brand "refresh" (in the form of a curvier bottle, re-shaped or sharpened insignia etc), which was rolled out in about 2016. However, the pursuer has not deployed the means generally accepted as necessary in order to build brand awareness in the mind of the general public or to increase sales, an omission on which Mr Russell had commented. In respect of its sales channels, the pursuer almost exclusively used specialist retailers (whether terrestrial or online). The experts were agreed (as were others who spoke to this), that it was the single malt whisky aficionado or the single malt whisky explorer who used those channels, not the general public. While several of the pursuer's witnesses stated that the pursuer had begun to make some of its product available via some Tesco stores in Scotland, the evidence on this was limited and unpersuasive: while both Ms Masson and Mr Adamson explained that it was only offered through some Tesco stores, and only in Scotland, they differed as to how

long that had been the case. Ms Masson mentioned four years, whereas Mr Adamson thought it had been sold in Tesco supermarkets in Scotland for the past two years. More to the point, Mr Bremner acknowledged that the only product offered through that channel was a Tomatin single malt through some Tesco stores, “but not many”. It is a notable omission that the pursuer produced no documentary evidence to vouch any of these sales or the number and locations of Tesco stores in which the Tomatin brand was being sold. Moreover, the pursuer’s unvouched evidence must be assessed against Mr Russell’s evidence that his recent test searches on Tesco’s website for Tomatin produced nil returns. Likewise, while the pursuer led two retailers, it produced no evidence of the locations of its specialist distributor or retailers, and from which evidence it might have been possible to draw an inference as to the geographical reach or degree of market penetration of its retail channels. Strikingly, the pursuer led no evidence that its product was regularly available from any physical (as opposed to online) retailer in any other part of the United Kingdom (other than Scotland). Mr Russell and Mr MacLean also accepted that the pursuer’s limited marketing activities and focus on specialist retail outlets explained the pursuer’s position in the single malt Scotch whisky and the blended Scotch whisky markets in the United Kingdom.

[247] Mr Bremner commented on the pursuer’s strategy, having regard to the resources required to build sales and reputation:

“You also have to factor into the equation that the brands with the biggest market share have massive resources that are used to sell, promote and support their brands. They have distribution in all channels and get a large part of their volume through supermarket sales. **Our strategy** has been to build our brand in **‘specialist retail’** and **then expand into the supermarket sector** in order to get more volume – this is **a work in progress.**” (Emphasis added.)



These comments explain why the pursuer has not spent any significant sums in the United Kingdom on promoting its brand. The only figure that could with any certainty be identified as being spent on marketing and promotion in the United Kingdom was the £10,800 spent in 2019 on the Visitor Centre. On the limited evidence led, this appeared to be focused on attracting members of the public to the Visitor Centre, and did not appear to be specifically promoting the Tomatin brand (albeit the pursuer promoted the Tomatin brand and used the Marks at the Visitor Centre in the variety of ways Mr Bremner described). The geographical distribution of the leaflets (which came out of this spending) was limited. Ms Masson spoke to other, larger figures of expenditure on marketing and promotion, but these appeared to be global figures, without any breakdown by territory or type of support, and are in themselves of no evidential value. Insofar as one could glean from the two retailers (Mr Gibson and Mr Hodcroft) of the kinds of support the pursuer offered, this was on a very modest scale (a free Tomatin-branded souvenir item, individual trips to the Distillery or time-limited promotions). The pursuer points to non-traditional channels such as social media and it produced lists of various promotional activities undertaken. Many of these were one-off or one or two-day events, each with relatively limited geographical scope. I accept Mr Russell's assessment that this kind of activity was modest in scale and limited in impact.

[248] Mr Russell noted that until recently the pursuer's marketing efforts have focused on single malt explorers and single malt aficionados. These consumers bought single malt whisky, which was a small niche within the much larger market in the United Kingdom for whisky (blended or single malt) and which, Mr Russell noted, would also include whisky produced by other countries (such as Ireland, Japan or the United States). He described the cohort of single malt explorers and single malt aficionados as forming an enthusiastic but

relatively small cohort of Scotch whisky drinkers. He explained that the pursuer has not used the standard methods used by well-known brands to, as he put it, “get noticed” by the average consumer, such as television advertising, print media advertising, and billboard and poster advertising by roadsides, in stations and in other public spaces. I also accept Mr Russell’s evidence (and to which there was no challenge) that single malt whisky was a niche product which formed only a small part of the wider market for whisky (blended or single malt) in the United Kingdom. Both experts spoke to the received wisdom that advertising for this kind of consumer was counterproductive. I also accept their evidence on this issue.

[249] The experts were at one in their final and considered opinions that the pursuer was a “small player” in the relevant market in the United Kingdom, which was described as mature and fragmented. Mr Bremner also accepted this – he could hardly do otherwise, without losing all credibility, given that those are the very words he used in his radio interview with the Inverness Chamber of Commerce. In other evidence, Mr Bremner explained that the pursuer’s business focused on exports for single malt Scotch whisky, given that the United Kingdom contributed only a modest amount to its turnover.

Ms Masson was an outlier on this issue, but these passages of her evidence were wholly unpersuasive and, not surprisingly given her role, partisan. While on her evidence the pursuer aimed to be in the top ten brands in the United Kingdom in respect of sales of single malt whisky, and it had achieved relatively high percentage increases in growth in the last few years, it remains the case that this is from a very low starting point. At best, these passages from her evidence reflected the pursuer’s ambitions for the Tomatin brand in which, by reason of her position, she was heavily committed. She voiced what was

essentially the “internal” view. Her evidence perhaps proves the truth of Mr Russell’s observation, that every brand believes it is well known.

[250] Mr Russell’s evidence was particularly cogent, as he dealt with this issue in detail, displayed considerable insight, and he was able amply to vouch the conclusions he reached. In light of his evidence, which is recorded above and which I accept in its entirety, the pursuer was a small player in what is a mature and fragmented market - qualities that make it difficult to increase market share or brand awareness. The pursuer’s decisions not to use the principal channels to grow their sales, of distribution through mass retailers or advertising in the traditional media, has no doubt limited the development of Tomatin’s reputation in the Unkited Kingdom.

[251] Finally on this matter, there is the evidence of Mr Lederer. By reason of his having worked at the highest levels in the hospitality and drinks industry, he was well-placed to bring a broader industry-wide perspective to this issue than the experts, whose expertise was in single malt whiskies. He was obviously wholly independent of the parties and his evidence was not challenged. His clear view was that Tomatin was a “very small player” in the United Kingdom market for single malt whiskies.

As the pursuer relies on the same body of evidence to establish reputation and good will, which involve mixed questions of fact and law, I address the impact of my findings on this evidence in my consideration of the pursuer’s legal grounds.

*The fact that the Development has not yet been built and the defender’s fundamental challenge*

[252] One of the unusual features of this case is that the defender’s Development is unbuilt and, while there is a firm intention for the Development to include a hotel, restaurant and

petrol station (operated by franchisees rather than by the defender), there is uncertainty (in part as a consequence of the impact of the Covid pandemic) as to what the retail offer will be at the Development and by whom this will be provided.

[253] This poses challenges for the pursuer. It will be obvious that these circumstances render problematic the application of several of the conditions of the statutory grounds. First, where the Development has not been built and no goods or services are yet offered, how is it possible to identify the goods or services of the defender (which is the first part of condition 5 (for the purposes of section 10(2)), and is the substance of condition 6 (for the purposes of section 10(3)), or to make the comparison between those goods and services and those of the pursuer (and which is necessary to satisfy the second part of condition 5)? The cumulative effect of these difficulties also impacts the application of condition 6 (for the purposes of section 10(2)), involving the assessment of the likelihood of confusion, which is to judge the goods or services in question through the eyes of the average consumer. How can the relevant test be applied if one cannot identify the average consumer of particular goods or services without first identifying those goods or services (an element inherent in condition 6)? Moreover, in assessing the likelihood of confusion, it is necessary to examine the objective conditions under which the goods and/or services may be present on the market. How can the court examine those objective conditions where the goods and services have not been offered, and the Development is as yet unbuilt?

[254] The defender submits that the Court can only speculate as to what those objective conditions might be in the circumstances of this case. It notes that the hotel in the Development is likely to be called "Holiday Inn Express – Inverness South, Tomatin". The word "Tomatin" is used to designate the location of the proposed hotel. The café is likely to be called the "Findhorn River Café". The fuel filling station is likely to be called "Total".

These sub-brands will exist as the defender will have a number of franchises at the Development, such as Holiday Inn Express and Total. It submits that all of these branding decisions will be significant to the objective conditions under which the goods and/or services may be present on the market. In these circumstances, the nature of any alleged trade mark infringement in the future is highly speculative, as neither has the Development been built nor final decisions been made in relation to the sub-brands of the facilities at the Development.

[255] The pursuer's position is that it should not be penalised for acting promptly in raising these proceedings and that explains why there is no present sale of goods or offer of services at the Site. In reply, the defender argues that the timing of the principal action was not prompt; it was premature, as there has been no use of the Sign in the provision of goods and services. (The defender also argues that the pursuer's action is prejudicial: if the defender's Application is granted by the UKIPO, it would afford a complete defence to the principal action on the question of infringement of the pursuer's Marks. I address this argument below (at para [384]).)

[256] The defender developed its submission of prematurity as follows. Under reference to several English cases considering its jurisdiction to grant protective orders against a future wrong (a *quai timet* ("because he fears") claim), namely, Russell LJ in *Hooper v Rogers* [1975] Ch 43 at 50C-D ("*Hooper*"), Chadwick LJ in *Lloyd v Symonds* [1998] EWCA Civ 511 and *Merck Sharpe Dohme Corp v Teva Pharma BV* [2014] FSR 13 ("*Merck*"), the defender submits that the mere possibility of a risk of infringement is not enough and that the party seeking such an order must establish a "concrete, strong and tangible risk that an injunction is required in order to do justice in all the circumstances" (*Merck* at paragraph 56). Moreover, the defender refers to the observations of Arnold J in *Napp Pharmaceutical Holdings Ltd v Dr*

*Reddy's Laboratories (United Kingdom) Ltd* [2017] RPC 4 (“*Napp*”) (at paragraph 50) in respect of *quai timet* claims, that in such cases there may be “a dispute as to whether the defendant has in fact threatened to do the acts which the patentee alleges the defendant has threatened to do.” In that circumstance, the burden of proof of future infringing acts rests with the trade mark holder alleging infringement (*ibid* at paragraph 154), who bears the consequences of any uncertainties flowing from the timing of its legal proceedings (*ibid* at paragraph 167).

[257] While I had no modern Scottish authorities cited to me on this point, the pursuer relied on the classic formulation to justify an interdict in respect of future conduct (eg in *Hay Trs v Young* (1877) 4 R 398) that the pursuer has “reasonable grounds of apprehension”. As a matter of Scots law, the pursuer has the onus of proving the grounds on which the interdicts are sought. It is not obliged to wait until the threatened infringement occurs. However, it must nonetheless establish that there is a sufficient risk of infringement by the defender in the future to justify the grant of permanent interdict. There is no need to adopt the precise formulation from the English cases, but it captures the need for the pursuer to prove there is a real risk of infringement if the defender is not restrained and the consideration identified – whether an interdict “is required in order to do justice in all the circumstances” – may assist in the exercise of any discretion at the stage when the Court comes to consider the question of remedies.

***The pursuer's grounds for infringements under subsections 10(2) and 10(3) of the Act***

*The conditions to be satisfied to establish infringement under subsection 10(2) of the Act*

[258] The conditions which must be satisfied to establish infringement under subsection 10(2) of the Act have been conveniently summarised in one of the leading cases,

*Interflora Inc v Marks & Spencer*, [2014] EWCA Civ 1403, [2015] E.T.M.R. 5 (“*Interflora (No 2)*”)

at [67] to [69], as follows:

- 1) There must be use of a sign by a third party within the relevant territory;
- 2) The use must be in the course of trade;
- 3) It must be without the consent of the proprietor;
- 4) It must be of a sign which is identical with or similar to the trade mark;
- 5) It must be used in relation to goods or services which are identical with or similar to those for which the trade mark is registered; and
- 6) It must give rise to a likelihood of confusion.

*The conditions to be satisfied to establish infringement under subsection 10(3) of the Act*

[259] The same case of *Interflora (No 2)* also gives guidance on the ingredients of a claim for infringement under section 10(3) of the Act, namely:

- 1) The registered trade marks must have a reputation in the relevant territory (which, for present purposes, is the United Kingdom);
- 2) There must be use of a sign by a third party in the relevant territory;
- 3) The use must be in the course of trade;
- 4) The use must be without the consent of the proprietor;
- 5) The use must be of a sign which is identical with or similar to the trade marks;
- 6) The use must be in relation to goods or services;
- 7) The use must give rise to a link between the sign and the trade marks in the mind of the average consumer;
- 8) The use must give rise to one of three types of injury, that is to say:

- (a) detriment to the distinctive character of the trade marks,
  - (b) detriment to the repute of the trade marks, or
  - (c) unfair advantage being taken of the distinctive character or repute of the trade marks; and
- 9) The use must be without due cause.

[260] The three principal differences between an infringement under these two statutory provisions is, first, that section 10(3) requires that the trade mark said to have been infringed has a reputation in the United Kingdom; secondly, that the infringer's use must cause one of the three specified forms of injury and infringement is a use of the sign, and, thirdly, its use is without due cause.

[261] However, for present purposes it is helpful to start by focusing on those conditions common to both of the statutory grounds (even if they are not formulated in precisely the same way). These are the last three conditions for a section 10(2) claim, namely, the condition that the allegedly infringing sign "is identical with or similar to the trade mark" ("condition 4"); that there must be "use in relation to goods or services" which are identical with or similar to those for which the trade mark is registered ("condition 5"); and it must give rise to "a likelihood of confusion" ("condition 6"). For its part, the pursuer adopted its submission on these three elements from its case under section 10(2) for its case under section 10(3) without further elaboration. I turn to consider the pursuer's claim for infringement under section 10(2) of the Act.



*Consideration of the claim for infringement under section 10(2)*

*Conditions 1 to 3*

[262] I am satisfied that the defender's display of its name and design on the billboard at the junction of the A9, together with their display on its website and business cards, is sufficient to satisfy condition 1. In any event, the defender accepts that there has been use of the defender's "Tomatin Trading Company" Sign within the meaning of section 10(4)(ca) and (d) of the Act, being, respectively, the use of the Sign as a trade name, and its use on business papers and in advertising. No argument was advanced in respect of condition 2 (use in the course of trade). The defender is not yet trading from the Development (it is not yet built) but it has secured planning permission; it is seeking tenants; and it is promoting the Development. For present purposes I proceed on the basis that these steps by the defender to promote the Development are "in the course of a trade". Condition 3 is obviously satisfied, as the pursuer has maintained the principal action. In this case, the most contentious matters are those in conditions 4, 5 and 6. I propose to consider conditions 5 and then 4 first, before considering condition 6. There is a logic to this as these two conditions are often expressed as having an inverse relationship: the lesser the similarity of the goods and services (condition 5), may be offset by a greater degree of similarity between the Marks and the signs (condition 4) and *vice versa* (*Specsavers International Healthcare Ltd v Asda Stores Ltd*, [2012] FSR 19, paragraph 52(g) ("*Specsavers*").

*Condition 5: The defender's fundamental challenge that there has been no use of the defender's Sign in relation to goods and services which are identical with or similar to those for which the Marks are registered*

[263] The pursuer's case is essentially based on what it anticipates the offering of goods and services from the Development will be. It is in the context of condition 5 that the defender identifies what it asserts is a "fundamental flaw" in the pursuer's claims under this (and the other) statutory ground. The defender's fundamental challenge is that there has been no relevant use of its Sign in respect of any goods and services (whether similar or otherwise) and, as a consequence, no comparison is possible to determine if there is any confusion (for the purposes of subsections 10(2) or 5(2)(b) of the Act). For these reasons, it contends that the principal action is premature.

[264] It submits that it is imperative to establish the defender's *use* of the Tomatin Trading Company name *in relation to* particular goods and services because it is *those* goods and services that are the subject of comparison with the goods and services for which the pursuer's Marks are registered (*Kerly's Law of Trade Marks and Trade Names* (16<sup>th</sup> ed) ("*Kerly's*"), at paragraph 16-036)). In the absence of *use* in relation to particular goods and services, there can be no comparison (as required by condition 5). The defender refers to the observations of the Court of Justice of the European Union ("CJEU") at para 21 in *Céline Sarl v Céline SA* [2007] ETMR 80 ("*Céline*");

"...where the use of a company name, trade name or shop name is limited to identifying a company or designating a business which is being carried on, such use cannot be considered as being "in relation to goods or services" within the meaning of Art.5(1) of the Directive."

In that case the CJEU explained (at paragraphs 22 to 23) what was required to establish use in relation to goods and services:

“Conversely, there is use “in relation to goods” within the meaning of Art.5(1) of the Directive where a third party affixes the sign constituting his company name, trade name or shop name to the goods which he markets (see, to that effect, Arsenal at [41], and Adam Opel at [20]). In addition, even where the sign is not affixed, there is use “in relation to goods or services” within the meaning of that provision where the third party uses that sign in such a way that a link is established between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party.” (Emphasis added)

The defender contends that there is simply no evidence that the defender has supplied, or is or will be supplying, goods and/or services under the “Tomatin Trading Company” sign at this time. The extent of the defender’s public-facing work appears to be the signage on the Site and on its Website, but it submits that neither of those amounts to the use of the defender’s Sign “in relation to” any specific goods and/or services. It submits that the defender’s limited use of the “Tomatin Trading Company” Sign in that way is insufficient to establish trade mark infringement. For these reasons it contends that the principal action is premature.

[265] The defender’s fall-back position is that the fact that the court is being asked to speculate on what *may* happen in the future reinforces its fundamental challenge that there is no trade mark infringement at this time; and that there is too much uncertainty for the court to reach an informed conclusion about the prospect of trade mark infringement in the future.

*Condition 5: Consideration of whether there has been use of the defender’s Sign in relation to goods services which are identical with or similar to those for which the Marks are registered*

[266] The pursuer does not directly address the defender’s fundamental challenge. Rather, the pursuer frames this part of its case under reference to the *dictum* that a “lesser degree of similarity of the goods and services may be offset by a greater degree of similarity between the

Marks and the signs and vice versa" (*per Specsavers* paragraph 52(g)). It contends that as there is "an extremely high degree of similarity" between the Marks and the defender's sign, it will therefore suffice if there is a lesser degree of similarity in relation to the goods and services anticipated to be offered at the Development.

[267] The parties divided their submissions into two parts: first, to address the first part of condition 5 ("use of the defender's Sign"), which I record in the next two paragraphs, and their submissions on the second part of that condition involving the comparison ("...goods and services which are identical with or similar to...").

[268] In seeking to satisfy the first part of this condition, the pursuer contends that the defender has used the word "Tomatin" as a sign in the course of trade. The basis for this is the fact that the defender had displayed a pot of strawberry jam (labelled "Tomatin") and an image of the pursuer's casks on its website (see para [10(2)], above) and certain statements made in some of the defender's marketing documentation, and which it says "provides a telling indication of what [the defender] has in mind for the future". It contends that this is "an indication of how the defender would seek to **broaden** its use of 'Tomatin'" (emphasis added). Apart from the limited degree of advertising or promotion of the Development (eg on the signage on the Site, in its use of the Sign on business cards or its website) or in some of the defender's promotional or fund-raising materials (the 2020 Brochure and appended Marketing Strategy), no other evidence was founded on to show that there has been actual (as opposed to apprehended) infringement of the pursuer's Word Marks and, indeed, this submission leaves out of account Mr Frame's evidence that the Tomatin Trading Company name will always be used in full.

[269] In its reply, the defender notes that it removed the photographs of the pot of jam and the pursuer's casks from its website two years ago, in May 2019, once it became aware

of the pursuer's objection. It also notes that the description under the photograph of the jam pot had been "The shop will feature a food hall dominated by **local** produce..." (emphasis added); that the photograph had depicted local produce; and that *that* was the clear and obvious context for the use of the word "Tomatin" (ie as a location). It submits that the photograph, taken together with its description, cannot found any case of infringement or, at most, it was *de minimis* and cannot justify the orders the pursuer seeks. If this were a *de minimis* infringement, then (citing Arnold J in *Napp Pharmaceutical Holdings Ltd v Dr Reddy's Laboratories (United Kingdom) Ltd* [2017] RPC 4 at paragraph 152), "that threat does not justify the commencement of proceedings by the patentee (whether in order to seek an injunction or in order to seek a financial remedy)." While that comment was made in a patent case, the defender submits that the same principle applies to a case of trade mark infringement. Where a trade mark holder does take premature action, it must live with the consequences that at proof there is little or no evidence of infringement.

[270] In addressing the second element of this condition ("use ...in relation to goods and services which are identical with or similar to") the pursuer again relies on the representations it says the defender has made in its various marketing and other materials to identify what goods and services might in future be offered from the Development, and the representations made of its ambitions and its efforts to attract prospective tenants. The pursuer refers to marketing materials produced by the defender, including *inter alia*, the defender's 2019 brochure, the defender's website, the sign board at the Site, the marketing being undertaken by the defender's agents (Cadell Property), its business plan as at July 2020 "the 2020 Business Plan", together with the Marketing Strategy and Financial information about the Defender's Development ("the Marketing Strategy" appended to the 2020 Business Plan). The pursuer acknowledges that, while the items to be sold from the Development's

retail units cannot be identified, it maintains that “it is **possible to determine** that the offer of commercial retail property under the Figurative Sign falls within or is very similar to Class 35 for which the 2018 Word Mark and 2018 Figurative Mark have been registered” (emphasis added).

[271] The pursuer relies in particular on statements in the documents just noted in order to demonstrate what it says are the defender’s intentions in terms of its proposed retail offer, namely:

- 1) “[T]he range of goods that are likely to be sold will be up-market” and will “showcase the best of the North Highlands Region” (in the 2020 Business Plan);
- 2) It will be “Highland Merchandising” (in the Marketing Strategy and 2019 Brochure); and,
- 3) “The theme will be quality, sustainability and North Highlands focused” (*ibid*).

[272] It also refers to the example Mr Bath referred to in his evidence of products that were “artisanal of the region”, such as “Prickly Thistle”; and it notes that that company has already produced a tartan for the Distillery itself. The pursuer observes that comparisons are repeatedly made with the House of Bruar (see, eg, the Design Statement included with the defender's 2007 planning application, in the 2020 Business Plan and in its Marketing Strategy). From this, the pursuer submits that the emphasis on quality products of the “North Highlands” that would appeal to persons passing on the A9 and that:

“there is **sufficient similarity between the products that the defender intends should be sold** at the [Development] and **the Scotch whisky** for which the Original Word Mark is registered (J36 6/1 p.370) and Class 35 for which the 2018 Word Mark and the 2018 Figurative Mark are registered (J37 6/1(iii) p.372 and J38 6/1(iii) p.374, respectively). **They appeal to the same consumer. If the products sold at the [Development] include foods and drink, they will have the same use and physical nature and may be competing goods.** Those products will be seen to have the same

origin and be the product of smaller scale, artisanal producers. They are luxury and leisure goods and **consumers may readily suppose that they are provided by a common entity**. ... The similarity in question is all the more apparent when regard is had to the degree of similarity between the pursuer's [Marks] and the defender's signs." (Emphasis added.)

[273] The pursuer then turns to consider the "likely" offer of the following goods and services at the Development under the Additional Classes:

- 1) "Sale of foodstuffs": The pursuer notes that it is intended that the food and drink sold at the Development will be locally-themed and sourced from the Highlands where possible and that, depending on what is sold, "this may be identical to the items within Class 35 in respect of which" the 2018 Marks are registered. It further contends that "[e]ven if it is not so, the similarity between the products in the registration and the ones the defender proposes to have for sale at the [Development] is apparent". It argues that in relation to the Original Word Mark, as Scotch whisky is perhaps one of the best known products for consumption originating from the Highlands, the similarity with the products covered by the Original Word Mark is also apparent.
- 2) "Whisky merchandising": Founding in part on Mr Frame's early approach to the pursuer that it could sell its products at the defender's Development, the pursuer invites the court to disregard evidence to the contrary (eg Mr Bath's denial that there is any intention to undertake the sale of whisky or whisky merchandising), and to conclude that "it is **likely** that the defender will sell whisky from the [Development]. **If there was merchandising or even a visitor's centre** it would be **identical** with the goods and services in respect of which the [pursuer's 2018 Marks] have been registered" (emphasis added.);

3) “Restaurant and other takeaway food provision”: The pursuer’s submission is that this offering is in the same position as the sale of foodstuffs. It submits that the “emphasis on locally sourced products for consumption means that it will be **similar** to the sale of whisky for which the Original Word Mark and the 2018 Figurative Mark are registered. In addition, depending on what is sold, it may be identical to goods in Class 43 for which the 2018 [Marks] have been registered” (emphasis added.);

4) “Hotel”: The pursuer’s submission is that, as a Hotel is a “form of hospitality”, “this is in general similar to the Class 43 items in respect of which the 2018 [Marks] have been registered.” It submits that “any provision **of a bar within the hotel would mean that it was identical with this class**. In addition, as a form of leisure and hospitality activity it is also similar to Scotch whisky in relation to which the Original Word Mark is registered.” (Emphasis added.)

[274] As I understood the involved exercise the pursuer has undertaken, it is essentially to say that the pursuer’s goods are high-end or artisanal and, given that some of the defender’s food or (possibly) retail offering will be artisanal and local, these will appeal to the same consumer, which is the consumer of the pursuer’s goods. Even assuming that that were so, and that the same consumers might be attracted to the pursuer’s and defender’s goods, it does not follow that those goods are identical or similar. Nor am I persuaded that, on this approach, the consumers will “suppose they are probably by the same entity” (ie the pursuer). More fundamentally, I am not persuaded that goods are comparable or similar, or that they attract the same consumer, simply on the basis that they are high-end. In my view, the conclusion the pursuer seeks to draw, to the effect that Scotch whisky “is similar” to the



goods that would be sold at the Development on the basis that the defender intends to sell high quality products of the "North Highlands", is misconceived.

[275] As a preliminary point, the pursuer led no evidence as to who was the average consumer for the pursuer's non-whisky goods and services falling within the Additional Classes. It cannot elide that difficulty by assimilating the pursuer's class of consumer with prospective consumers of the Development. While it might be the case that the single malt whisky aficionado or explorer would take a Distillery tour (falling within educational class 41), the weight of the evidence was that this was often undertaken by the general tourist wishing to tick this off his or her "bucket list". Nor do I accept the pursuer's assertion that the high end or artisanal goods the defender proposes be sold at the Development would all appeal to the same consumers as those attracted to the Distillery. No evidence was led on which such a conclusion could be based. In any event, the defender is in my view correct in its contention that Scotch whisky is not "similar" to food or other types of retail goods, and that such goods are not a substitute for one another. I also accept as well-founded the defender's submission that the average consumer of Scotch whisky will be different from the average consumer of food or other souvenir items. In any event, the pursuer's focus on the similarity it asserts of the pursuer's consumers and the defender's presumed consumers, is not the comparison called for in the second part of condition 5. There is a further difficulty for the pursuer, which is the impossibility of comparing a known set of goods and services (of the pursuer) with the as yet unknown offering of the defender. As a consequence of the present economic uncertainty it is unknown whether the defender can obtain tenants for the retail units at the Development (as envisaged in its business plan) or whether it will run these itself. Insofar as there is evidence about the services offered, the model the defender proposes

to adopt is to bring in franchisees who will market the services offered under their own brands (I have noted these, above). The pursuer's case under section 10(2) makes no allowance for these features of the defender's Development. The case of *Schütz (United Kingdom) Ltd v Delta Containers Ltd*, [2011] EWHC 1712 (Ch), provides an example of how nuanced the question of use "in relation to" goods and services can be. After noting that some products (such as a car) are comprised of components from different manufacturers, Briggs J observed (at paragraph 80) that:

"[i]t is commonplace for a manufactured product consisting of components from different manufacturers to exhibit trade marks in circumstances where a particular mark on one component is plainly not used 'in relation to' either the product as a whole, or to other components within it. For example, **no one would suggest that the affixing of tyres bearing the name and mark Pirelli to a car made by Ford gives rise to a use of Pirelli in relation to the Ford car, or even to its wheels. It is simply a use in relation to the tyres.**" (Emphasis added.)

On the franchise model the defender proposes for significant elements of the Development, it is likely that the franchisee's brand name ("Total" or "Holiday Inn") will be the one to be used most directly in respect of the goods and services they offer, and the name "Tomatin Trading Company" is in a sense secondary, as the name of the Development. The defender draws an analogy with the Gyle Shopping Centre: the use of "the Gyle" as the name of the shopping centre does not mean that that name is used in relation to all of the goods and services provided there, especially if other names are used more directly with the goods and services provided (eg a Holiday Inn hotel or a Starbucks coffee shop). I accept that analogy is well-founded and apposite to the present case. Even in respect of the retail offer, the circumstances in which any goods or services falling within the Additional Classes may be provided or under what brands are too uncertain for the court to reach any properly based conclusion that the defender's Sign is used "in relation to the goods or services" in the manner discussed in *Céline*.

*Consideration of the second part of condition 5 of section 10(2): Whether the goods and/or services are identical with or similar to the pursuer's goods or services or those proposed under the Additional Classes*

[276] It remains the case that the exercise of comparing the pursuer's and defender's respective goods and services (for the purposes of section 10(2), but not section 10(3)) is to form a view as to whether the defender's goods and services are "identical with or similar to" those in respect of which the pursuer's Marks are registered. This brings a further difficulty for the pursuer. That exercise of comparison is judged through the eyes of the average consumer of the goods and services in question. On the evidence the average consumer of the pursuer's branded products under class 33 is the single malt whisky aficionado. The pursuer did not seek to establish a distinct class of consumer in respect of any of the Additional Classes.

[277] The pursuer sought to overcome this difficulty with its argument that the goods and services under the Additional Classes are similar to the goods it offers under class 33, or that these other goods were equally attractive to the average consumer of its single malt whisky. I have rejected that argument. The result is that, while there was evidence about who was the average consumer of the pursuer's Tomatin-branded whisky under class 33, there was simply no evidence as to who was the average consumer of the particular goods and services to be offered under the Additional Classes. If there is no use as required by condition 5 for a claim for infringement under section 10(2) (or under condition 6 for section 10(3)), *a fortiori* there can be no comparison of the goods in respect of which the sign is used, as required by condition 5 for a claim for infringement under section 10(2) (or condition 6 for a claim of infringement under section 10(3)).

[278] I return to the defender's fundamental challenge. In my view, the pursuer has not met that challenge. The pursuer has failed to prove any "use" at the present time. The instance of the word "Tomatin" affixed to the jam pot is *de minimis*. Any "use" that may have constituted ceased more than two years ago. The weight of this evidence may be tested by considering whether the Court would have granted an *interim* interdict based on this evidence. Having regard to the exceptionally modest nature of that use, the fact that it was removed after the pursuer's request, and that Mr Frame has confirmed that the defender will not use the word "Tomatin" in isolation (but will always use the defender's full name), in my view such an application would have been bound to fail. Nor do I accept that that instance or the bland references in the defender's promotional materials about the distillery "on its door step" justifies the pursuer's contention that this constitutes the defender "piggy backing" on the pursuer's Marks, or signals an intention on the part of the defender to try to benefit by association with them. The pursuer has in my view failed to establish any "use", which is the starting point for the first part of condition 5. The effect of the pursuer's approach is to invite the Court to speculate to an impermissible degree about the nature of the defender's retail or other offers of goods and services. On the evidence led, it is simply not possible to form any view with the requisite degree of certainty as to what the nature of the defender's goods and services falling within the Additional Classes will be. In my view, the pursuer has not established that the defender's use meets the test the CJEU articulated in the second passage of *Céline* quoted above (at para [264]).

[279] Returning to the manner in which the pursuer sought to frame this argument, while the pursuer relied on the inverse relationship between conditions 5 and 6 (see para [266], above), these separate conditions cannot be so conflated that one (the need to

prove a degree of similarity in relation to the goods and services, respectively, of the holders of the mark and of the sign) is subsumed in the other (the need to prove identity as between the mark and the sign). The pursuer has therefore failed to satisfy condition 5.

*Condition 4*

[280] While my determination on condition 5 is fatal to the pursuer's case of infringement of this statutory ground, it is appropriate that I express my view on the remaining conditions in the event this case goes further. No opinion in a commercial action should be challengeable on the grounds of an absence of findings or reasons.

[281] The pursuer contends that the dominant feature of all of its Marks and the Sign is the word "Tomatin". As between the Original Mark and the Sign, there is identity. It contends that in making a comparison between the 2018 Figurative Mark and the Sign, with the exception of the letter "a", the font of the word "Tomatin" is very similar; both use block capitals of consistent size and consistent spacing, and each is situated under a pictorial element. The similarities are apparent on visual, aural and conceptual levels.

[282] The pursuer also refers to the defender's name ("Tomatin Trading Company") and its website, "tomatintrading.co.uk". In respect of the defender's name, the pursuer's submission is that the words "trading company" are purely descriptive (although it also contends that they are not an accurate descriptor of the defender's business) and do not add anything to the word "Tomatin". Under reference to the case of *AAH Pharmaceuticals v Vantagemax* ([2003] ETMR 18 ("*AAH Pharmaceuticals*")), where the court held (at paragraph 44) that the word "Rewards" in the defender's sign "Vantage rewards" was wholly descriptive and therefore the defender's sign was identical to the mark ("Vantage"),

the pursuer urges a like approach to disregard the words “trading company”. It makes a similar argument in respect of the defender’s website. It contends that in the defender’s Sign the dominant element is the word “Tomatin” and the words “trading company” play only a “very minor part of the assessment... as a whole”. On this approach, in which the defender’s Sign is effectively reduced to “Tomatin”, it contends that the defender’s Sign is identical to and infringes its Word Marks.

[283] In reply the defender submits that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. (This proposition is uncontroversial.) The defender accepts that the common element in the pursuer’s Marks and the defender’s Sign is the word “TOMATIN”. However, the defender contends that this is a geographical location in Scotland and, in the context of the 2018 Marks where there is no acquired distinctiveness in relation to those goods and/or services, the common element lies in a word that is capable of being descriptive of the geographical origin of the goods and/or services in question.

[284] The defender also submits that the differences between the pursuer’s Marks and defender’s “Tomatin Trading Company” Sign are sufficient to enable them to be easily distinguished. The defender submits that in disregarding the other elements of the defender’s Sign –reducing it to the word element “Tomatin” – the pursuer has fallen into legal error by focusing on the (supposed) dominant element of the defender’s Figurative Sign (“Tomatin”) to the exclusion of its other features, but which is not the correct approach. Rather, the defender argues that, as it is not the case that the other components of the defender’s Sign are not negligible, it is not permissible to make the comparison solely on the basis of the dominant elements (as it says the pursuer has done).

[285] In considering the defender's Sign, I begin with the defender's submission that "Tomatin" would be understood as a geographical indication of where the defender's goods and services will be provided. This is an available reading, having regard to my findings on the issue of Tomatin as a place name, and that its reputation as a convenient stopping place subsists for the modern traveller. While in submissions the pursuer sought to draw an absolute distinction between the village and the junction, this is not consistent with the weight of the evidence. The boundaries of Tomatin village were not defined. It was described as elongated along the line of the old A9 which extended to the junction. The terms of some of the media coverage also reflect the blurring of distinctions between "the village" and "the junction"; on occasion, "Tomatin" was understood as encompassing the junction and on other occasions the junction was specifically referred to.

[286] Accordingly, while there is clearly a common element (the word "Tomatin") as between the pursuer's 2018 Figurative Mark and the defender's Sign (being the word "Tomatin"), in the latter it is descriptive of the geographical origin of the goods and/or services to be supplied. In the defender's Sign "TOMATIN" is used in conjunction with the words "TRADING COMPANY". On this point, I accept the defender's submission that the case of *AAH Pharmaceuticals*, cited by the pursuer, is distinguishable, and that the words "trading company" are not descriptive in the same manner as "Rewards" was descriptive of an incentive scheme. Those words therefore do not fall to be disregarded.

[287] Approaching this as the average consumer would, and considering the defender's Sign as a whole, in my opinion the average consumer would read the word Tomatin in conjunction with Trading Company as a geographical indicator of where those goods and/or services are provided by the defender in the course of its business (or "trading").

[288] In relation to the pursuer's focus on the word "Tomatin" in the defender's Sign, it does so for the obvious reason that it is the same word as used in its Marks: they are obviously also aurally identical, but if the pursuer succeeds in effectively reducing the defender's Sign to the word "Tomatin", it strengthens its case for the purposes of the comparison of the Marks and the signs (which is condition 5 for a case under section 10(3) as well as condition 4 for the purposes of section 10(2)). However, unless the other elements of the defender's Sign are negligible, the pursuer will fall into legal error in disregarding these other elements.

[289] I turn to consider these other elements, particularly the figurative elements of the Sign and the 2018 Figurative Mark, before addressing the question of their similarity or identity. The average consumer normally perceives a mark as a whole and does not proceed to analyse its several elements. In respect of the pursuer's 2018 Figurative Mark, the pursuer's witnesses emphasised the heraldic significance of the rampant lion and the symbolic meaning of a hogshead, as collectively conveying status and prestige. This is complex imagery, commensurate with the sense of antiquity or of history (invoked by the "Estd" and "1897" which embrace the heraldic and other *insignia*) the pursuer is striving for. By contrast, the figurative element of defender's Sign, being the double-T image surmounting the Tomatin word element of the defender's Sign, could not be more different in its pared back style and in what it seeks to invoke. It is striking, spare and graphically sharp and unfussy. The apex formed by the double-T evokes a place of shelter or an old-style trading post, a reading that is supported by the words "Trading Company" immediately below the word and repeated in full, as "Tomatin Trading Company" immediately below, and on the evidence of Mr Frame was intentional.



[290] The defender's Sign is a complex sign, composed of both word and figurative elements. In my view the average consumer would perceive several elements of the defender's Sign as prominent. While the word "Tomatin", as it appears in the pursuer's Marks and in the defender's Sign, has visual similarities in the use of block capitals, fonts with san serif elements, and it is aurally identical, the average consumer undertaking a global assessment would also have regard to the other words ("Trading Company" in the defender's Sign) and their respective figurative elements. In my view, the average consumer would consider the figurative element of the defender's Sign to be distinctive and to contribute to the overall impression of the defender's Sign. Neither of those elements can properly be said to be negligible. Accordingly, it is not permissible to compare only the dominant elements of the defender's Sign and the 2018 Figurative Mark. In disregarding these other elements, the pursuer falls into the legal error the defender described.

[291] Turning to the question of whether the pursuer's Marks or the defender's Sign are identical with or similar to each other, in light of the foregoing, in my view, the average consumer undertaking a global appreciation, and making its assessment in accordance with the guidance noted above, would readily distinguish between the defender's Sign and the pursuer's 2018 Figurative Mark in such an assessment. The average consumer would not conclude that these were identical or similar. I find that the defender's Sign is not identical with or similar to any of the pursuer's Marks, considered individually. Accordingly, this condition of the statutory cases (being condition 4 for the case under section 10(2) and condition 5 for the case under section 10(3)) is not met.

*Condition 6 of section 10(2): Guidance on the likelihood of confusion*

[292] The final condition for the purposes of establishing an infringement under section 10(2) is condition 6: the likelihood of confusion. It also is one of the relative grounds for refusal of registration under section 5(2) of the Act. The following legal principles apply in determining whether there is a likelihood of confusion on the part of the public for the purposes of both of these sub-sections:

- 1) Although the test is by reference to the “ordinary consumer” or “average consumer” the issue is one for the judge: *Interflora v Marks and Spencer* [2012] EWCA Civ 1501, [2013] FSR 21 (“*Interflora (No 1)*”), paragraphs 44, 50 and 73. The specified consumers are a legal construct or normative benchmark and, for ordinary goods and services, the court should put itself in the position of the average consumer: *Jack Wills Ltd v House of Fraser* [2014] FSR 39 (“*Jack Wills*”), paragraph 63; *Interflora (No 2)*, paragraphs 113-115.
- 2) The assessment of the likelihood of confusion must be appreciated globally, taking into account all of the relevant factors (*CCHG Ltd t/a Vaporized v Vapouriz Ltd* 2017 S.L.T. 907 (“*CCHG Ltd*”) at paragraph 114). In particular:
  - (a) The matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question (See also *Specsavers* at paragraph 52);

- (b) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (c) The assessment of the overall impression of a mark on the average consumer requires an analysis of the components of a sign and of the relevant weight of these components in the perception of the average consumer;
- (d) The visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) It is appropriate to examine the objective conditions under which the goods may be present on the market to assess the weight to be given to visual, aural and conceptual similarities of the marks;
- (f) The overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;
- (g) Beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that a particular element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

- (h) A lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and *vice versa* (See also *Specsavers* at paragraph 52);
  - (i) There is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
  - (j) Mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
  - (k) The reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
  - (l) If the association between the marks causes the public to wrongly believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion (*Comic Enterprises Ltd v Twentieth Century Fox Film Corp* [2016] ETMR 22 at paragraph 79).
- (3) Where a mark is a composite mark, eg comprising both graphic and word elements, it should be compared against the other mark as a whole: the assessment of similarity between the two marks ought not to be done on the basis of one component of a composite mark alone.

*Consideration of condition 6: a likelihood of confusion*

[293] The pursuer's contention that there would be confusion was based on three factors: the similarity between the Marks and the Sign, the defender's proposed use of the name

“Tomatin” in association with the Development, and the physical proximity of the Site and the Distillery. The pursuer also led evidence of a handful of informal contacts it had had, via social media, calls or contact with employees. So, for example, Mr Eunson produced a copy of a WhatsApp message, though he could not say what was in the mind of the sender. The WhatsApp message, accompanied by the smiling/crying emoji face, may fairly be construed as gentle joshing and not indicative of genuine confusion. The few contacts Mr Bremner described the pursuer receiving were in the nature of cold-calling by companies seeking business *from* the pursuer; they were not seeking to avail themselves *of* the facilities of either the pursuer or the defender. In my view, this evidence was wholly unpersuasive in establishing that there was any actual confusion (though condition 6 does not require proof of any actual confusion). Even considering this evidence collectively, it was of minimal import and I give it no weight.

[294] In relation to the appearance of the Distillery or its physical proximity to the Development, the evidence on this was very thin, and comprised of no more than the subjective views of several of the pursuer’s witnesses. While several of the pursuer’s witnesses referred to the pagoda-like feature of the Development, Ms Masson’s evidence being typical, that element no longer features in the design for which planning consent was granted. The design of the Development does not contain any feature distinctive of a distillery. In respect of the other feature the pursuer founds upon, in respect of the similarity in the building materials, I give this little weight as it is not uncommon for a new development to seek to blend in with existing built forms, using common materials reflecting the local vernacular.

[295] In terms of proximity, on the evidence, the entrance to the Distillery and the Development are a few hundred metres apart and there is a prominent sign at the entrance

to the Distillery. (Mr Bremner's assertion that they were only 15 metres apart was plainly incorrect.) The signage visible from the A9 indicates the existence of the Distillery and Visitor Centre, and the sign at the T-junction onto the old A9 clearly identifies in their own right both the Distillery and the Visitor Centre (see above, at para [52]). In the event that the dualling of the A9 takes place by the time the Development is open for trading, then the visitor coming off the A9 will pass the Development first. Even if the visitor intending to visit the Distillery inadvertently turns into the Development (on the present configuration of the roads), it will be patent in a very short space of time that the wrong destination has been reached. Accordingly, the features the pursuer finds on are unlikely to have even a minimal impact in terms of confusion.

[296] In respect of the use of the words the "Tomatin Trading Company", the average consumer would understand "Tomatin" as the origin of the goods and services, as being that of the defender at its Development based in or near the village of Tomatin. The differences between the pursuer's 2018 Figurative Mark and defender's "Tomatin Trading Company" sign are sufficient to enable them to be easily distinguished, such that there is no likelihood of confusion. It is therefore of no moment that (as the pursuer submitted) there will be no opportunity to compare the Marks and Sign side-by-side.

[297] The issue of the likelihood of confusion is not approached in the abstract, but through the eyes of the average consumer. In my view, it is relevant to consider the attributes of the average consumer, being in this case the single malt whisky aficionado or single malt whisky explorer. On the experts' evidence, that is an individual with a relatively sophisticated understanding or knowledge of the whisky market, as opposed to the general public who are consumers of blended whiskies. Indeed, the very attributes of this kind of consumer - of being an aficionado or explorer - are suggestive that this kind of consumer is

discerning and relatively knowledgeable about the product it appreciates or is exploring, and of its typical presentation as a product. Moreover, it may be inferred that, given the nature and price points of the different expressions of single malts, a single malt whisky aficionado or single malt whisky explorer consumer makes such a purchase with a moderate degree of intentionality, which may be contrasted, for example, with the more casual purchases of everyday items such as soap or cereal. It is for these reasons that, notwithstanding the factors the pursuer founds on, I conclude that the average consumer is unlikely to be confused.

[298] Finally, even if I had found that the pursuer had otherwise satisfied condition 6, there is a more technical difficulty facing the pursuer: the global assessment to be made for the purpose of condition 6 includes the objective conditions under which the goods and services are offered. The fact that this is an unbuilt Development where no final decision has been taken about the goods or services to be offered or how they will be presented, renders any objective comparative assessment impossible. The pursuer did not provide any compelling reply to persuade me that this was not fatal.

[299] Accordingly, for these reasons, the pursuer has failed to satisfy condition 6.

*Conclusion on ground of infringement under section 10(2)*

[300] Having failed to establish conditions 4, 5 or 6, the pursuer's case that there has been or will be an infringement under section 10(2) of the Act fails.

*The pursuer's claim of infringement under section 10(3)*

[301] The pursuer submits that, having regard to the definition of goodwill given by Lord MacNaughton in *IRC v Muller & Co's Margarine* [1901] AC 217 ("*IRC*") the evidence

demonstrates that the pursuer has built up significant goodwill in its use of the Marks; that reputation exists; that the defender intends to use the word "Tomatin" and the Figurative Sign noted above in the course of its business, and that the pursuer does not consent to this. In relation to the issue of whether use of the Sign gives rise to a link with the Marks, it referred to the arguments in relation to similarity and confusion and it is noted that the requirement for "a link" requires less than the confusion needed for infringement under section 10(2).

[302] In considering the pursuer's claim under this ground, I begin by noting that in terms of section 10(3) of the Act, a person infringes a registered trade mark if he uses in the course of trade a sign which is identical with or similar to the trade mark, where the trade mark has a reputation in the United Kingdom and the use of the sign takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark. It will be apparent that there is an overlap between some of the conditions required to establish a claim under section 10(2) and one under section 10(3). However, as noted above (at para [259]) in terms of the conditions specific to a claim under section 10(3), one of these relates to reputation. I propose to deal first with that issue, before turning to the other conditions which require to be met if a claim for infringement under section 10(3) is proved.

[303] The degree of knowledge or reputation is considered to be met when the mark is known by a significant part of the public in the United Kingdom concerned by the goods or services covered by that trade mark. The reputation of a trade mark must be established in the relevant territory in relation to the relevant section of the public as regards the goods or services for which the mark is registered. In examining whether this condition is fulfilled, the court must take into consideration all the relevant facts of the case and include the market share held by the trade mark, the intensity, geographical extent and duration of its use, and



the size of the investment made by the undertaking in promoting it, all in the relevant territory.

[304] It is in this context that my findings on the evidence of reputation (beginning at para [243], above) are relevant. The existence of a reputation is a critical ingredient to a claim under section 10(3). As the CJEU observed in *Marca Mode v Adidas* [2000] ETMR 723 (at paragraph 36):

“art.5(2) of the Directive [which is equivalent to section 10(3)] ... establishes, for **the benefit of well-known trade marks**, a form of protection whose implementation does not require the existence of a likelihood of confusion”. (Emphasis added.)

While it is correct that there is no requirement that the mark must be known by a given percentage of the public (*per* the CJEU in *General Motors v Yplon* [1999] ETMR 950, paragraph 25) and that the reputation need not exist in the public at large but can be a specialised public (being the persons concerned by the products or services covered by the mark), the pursuer must nonetheless prove this element for a claim under section 10(3).

[305] I begin with the question of what proportion of the relevant public the pursuer must prove to establish reputation. Mr Lake is of course correct that there is no requirement that a producer must have a minimum percentage market share to establish the requisite reputation for the purposes of a claim under section 10(3). There is no absolute minimum which can be stated in percentage terms, as the assessment is a multi-factored and fact-sensitive. For that reason it is not possible to fix a generally applicable threshold of recognition which is decisive of whether or not there is repute, depending on whether the market share of the trade mark holder falls above or below that threshold (*Windsurfing Chiemsee Produktions- und Vertriebs GmbH v Boots- und Segelzubehor Walter Huber* [2000] 2 W.L.R. 205 (“*Windsurfing Chiemsee*”) at paragraph 52). Many factors fall to be considered, including, for example whether the relevant market is mature or emerging, whether it is

crowded with competitors or relatively open, whether it is dominated by a few producers or fragmented among many, and how long the trade mark holder has operated in that market. That is why, on the case-law of the CJEU, the court must take into consideration all of the relevant facts of the case, and which are likely to include the market share held by the trade mark, the intensity, geographical extent and duration of its use, as well as the size of the investment made by the undertaking, all within the relevant market (*per General Motors Corp v Yplon SA, cit supra*, at paragraph 27).

[306] The pursuer submits that proving reputation “is not a particularly onerous requirement” (citing Arnold J in *Enterprise Holdings Inc. v Europcar Group United Kingdom Ltd* [2015] ETMR 16). However, as subsequently explained by the UKIPO in *The Reproline Trade Mark, Application No: 00003202388*, BL No: O/347/18, those comments were not made in the context where a claimant had only a small or unquantified share of the relevant market, as is the case here. In my view, the pursuer’s reliance on Arnold J’s comment (made without reference to their context), is inconsistent with the case-law of the CJEU that, qualitatively, a trade mark holder must establish a “significant” part of the relevant public in the relevant territory concerned with the products or services covered by its mark (*per General Motors Corp v Yplon SA, ibid*; cf the comments of the Irish Patents Office in *T.M.R. Restaurant Ltd’s Application*, [2013] ETMR 37 at paragraph 56 (“the reputation which s. 10(3) seeks to protect is that of an **extremely well-known** trade mark...” (emphasis added))). There is a further reason I do not accept the pursuer’s submission on this point. Section 10(3) affords additional protection to proprietors of well-known trade marks, who are not required to prove a likelihood of confusion, as is required for a claim under section 10(2). The application of a low threshold risks obliterating that important distinction between these two provisions.

[307] I next consider the relevant market within which a significant reputation is to be established, which is identified by reference to the goods or services covered by the Marks (see *General Motors Corp v Yplon SA*, *cit supra*, at paragraph 24). Neither party contended that the pursuer's products or services were for mass market consumption, and for which the relevant public would be the public at large. Accordingly, in this case, I proceed on the basis that the relevant public is limited to the specific purchasers, and potential purchasers, of the pursuer's products and services, as well as those members of the public that may only come in contact with the Mark indirectly to the extent that such consumer groups are also targeted by the goods or services in question. As the pursuer's Marks are registered for different classes, they must be considered in turn.

[308] Starting with the pursuer's Original Word Mark, this is registered for class 33, Scotch whisky and, therefore, the relevant market is the United Kingdom-wide adult Scotch whisky-drinking public (see *Speciality Drinks Ltd v European Union Intellectual Property Office*, case T-250/15, at paragraph 26). Under reference to observations of the UK Intellectual Property Office in *Fisher's Application No: 00003156611* (BN No: O/647/17 at paragraph 17) made in response to a submission to it focusing on the quality of "craft" (in respect of beer), that the specifications to which regard is had are those applied for and registered, the defender contends that the pursuer falls into error, to the extent that it focuses on the single malt whisky segment within that larger market (eg in paragraph 47 of the pursuer's principal written submissions). I accept that submission as well-founded. It is only reputation in the wider market for Scotch whisky that is relevant.

[309] As will be apparent from the evidence noted relevant to reputation, this was directed almost exclusively to the single malt whisky sector, which is a small segment within that wider market. The weight of that evidence pointed overwhelmingly to the conclusion that

the pursuer's "Tomatin" brand is not well-known even to the average consumer of Scotch whisky in the United Kingdom. It is not known by a significant part of the general whisky-drinking public, which is the relevant market. The evidence has established that the reputation of the pursuer's "Tomatin" brand has not extended beyond the limited class of consumer ("the aficionado") of the pursuer's products. I found Mr Russell's evidence on this matter compelling and persuasive. On the evidence of Mr Russell, whose evidence on the question of reputation I prefer to that of Mr MacLean on this topic, the pursuer does not have a reputation even amongst single malt whisky aficionados. Furthermore, on his evidence, the pursuer was not known as a brand by the broader whisky-drinking public and any attempt to compare the pursuer's reputation with that of the market-leaders in that wider market was "absurd" (a matter on which Mr MacLean agreed). He considered the kinds of factors identified in the case law as relevant (see *General Motors Corp v Yplon SA*, *cit supra*, at paragraph 27, , to the extent there was evidence of these matters. His reasons for his opinion were cogent, and supported by the evidence of how a producer would develop its reputation (eg mass distribution and advertising), and which the pursuer did not at present employ. Notwithstanding the ambitions and subjective views of the pursuer's marketing team, there was no independent, or indeed any other, evidence that the pursuer's reputation had penetrated the consciousness of the wider public who might consume Scotch whisky. The pursuer's Original Word Mark has not attained this level of brand awareness because of its limited marketing activities and the fact that the pursuer has traditionally sold its products in specialist retail outlets and not supermarkets. Moreover, the pursuer has produced no other evidence to establish any reputation in the relevant wider United Kingdom market for Scotch whisky. To the extent that the pursuer relied on the evidence of its ambitions to grow its market share, that can only remain a matter of speculation and it is

not relevant to the question of whether the pursuer has provided the requisite reputation.

On the totality of the evidence I find that the pursuer has not demonstrated that it has a protectable reputation for the relevant section of the public for the goods for which the Original Word Mark was registered, as required for a claim under section 10(3).

[310] What of the pursuer's reputation in the Additional Classes, being the classes for which the 2018 Marks were registered? On the evidence, the location from which these were offered was essentially confined to the Visitor Centre. In the present context - I analyse the evidence about the pursuer's offerings under these classes below, in my consideration of the bad faith ground of invalidity - it suffices to observe that on no view of the evidence could it be found that there is any reputation in respect of the Additional Classes, however their specific markets were defined (and which was not addressed in evidence or in submissions). To the extent that the pursuer *may* have tried to assimilate these classes into class 33 with the same market for class 33 (because attractive to the same consumer), this is both misconceived in law and, in any event, fails on the evidence given my findings about the want of the requisite reputation under class 33.

[311] The pursuer has therefore failed to prove protectable reputation in respect of any of the goods or services falling within the Additional Classes and for which the 2018 Marks are registered, as required to engage section 10(3).

[312] That finding is sufficient to reject the pursuer's claim under section 10(3).

Nonetheless, it is appropriate that I address parties' submissions on the other conditions. In respect of condition 8, the pursuer submits that the defender's use of the Sign in the circumstances of the proposed Development will take unfair advantage of the distinctive character and repute of the Marks, and that it was relevant to have regard to the deliberate intention apparent from the defender's promotional materials to take advantage of the

pursuer's goodwill. (These are the passages where the defender refers to the distillery "on the defender's doorstep", without naming the Distillery itself.) It relied on the evidence of the calls and social media messages, which it submits already demonstrate that members of the public erroneously believe that the defender's Development is associated with the pursuer and indicate that the distinctive character of the pursuer's Marks is being eroded.

[313] In relation to due cause, the pursuer has made use of the word "Tomatin" in its business for a considerable time in a business in which the use of distillery names is important. The pursuer has invested significant sums of money over several years in promoting the Marks and, as noted above, has established a reputation associated with the Marks. Conversely, it argues that there is no reason why the defender requires to use the name "Tomatin" for its business. The manner in which it is used in the name "Tomatin Trading Company" is not such that it identifies origin. It has no existing reputation or good will in the word. It submitted that, on balance, the defender has no legitimate basis for the use of the Sign and it is without due cause. It also maintained that section 11(2) of the 1994 Act did not provide a defence.

[314] In determining the pursuer's claim under section 10(2), I have already addressed conditions 4 and 5, which correspond with conditions 5 and 6 to establish infringement under section 10(3) (see above, at para [259]), and condition 6 (which is not dissimilar from the assessment of condition 7 for a claim under section 10(3)). To the extent that there was a difference between condition 5 of a claim under section 10(2) and the corresponding condition (condition 6) of a claim under section 10(3), the latter omits the requirement that the goods or services are "identical to or similar with" the trade mark. It requires only proof of the *use* of the sign in relation to goods and services *simpliciter*. I have already concluded that the pursuer has failed to establish the requisite use (having considered that separately

from my consideration from the second part of condition 5 of section 10(2), namely, of the question of identity between the goods and services). As the pursuer relied on the same evidence and arguments, it follows that my determination of those conditions falls to be applied *mutatis mutandis* to the pursuer's case under section 10(3).

[315] In respect of condition 7, the pursuer must establish that the relevant public will make a link with the pursuer's Marks when confronted with the defender's "Tomatin Trading Company" Sign. Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods or services, the extent of the overlap between the relevant consumers for those goods or services, and the strength of the earlier mark's reputation and distinctiveness.

[316] In my opinion, the relevant public will not make a link between the two signs on the facts in this case. In light of my determination of conditions 4 and 5 for the pursuer's claim under section 10(2), that there is not the requisite identity or similarity either between the pursuer's Marks and the defender's Sign or between their respective goods and services, it follows that the relevant public will see the parties' respective signs as being different. The relevant public, who will be consumers of Scotch whisky, will appreciate that the defender's Sign is used in relation to different goods and services than those offered by the pursuer. This may be tested by considering those of the pursuer's customers who may wish to visit the Visitor Centre. They will realise that Tomatin is the name of the local area (such as by seeing the local signage); they are likely to see that the defender is using "Tomatin" as a descriptor for the location of the Development (once built) and will be able readily to distinguish it from the Distillery, which is separately sign-posted. For those customers who wish to purchase the pursuer's goods (which, in this context can only be the pursuer's single

malt whiskies) other than by visiting the Visitor Centre (eg online, in specialist retail units or abroad), they will have no cause to link the defender's Sign with that of the pursuer's Marks or goods or services. In my view, there is force in the defender's submission that it is implausible that the defender would seek to draw a link in the mind of consumers with the pursuer's business by using "Tomatin" on a pot of strawberry jam. (The defender contends that the pursuer's hostile reading of the photograph of a pot of strawberry jam bearing the word "Tomatin" (and which was removed from its website 2 years ago) demonstrates the need for invalidation of the 2018 Marks in terms of section 3(1)(c) (descriptive of geographical origin of goods or services) and section 3(3)(a) (contrary to public policy) of the 1994 Act.)

[317] On the evidence, I am not persuaded that the average consumer, who is reasonably well informed and reasonably circumspect, would call the pursuer's Marks to mind when confronted with the defender's Sign. This is so, particularly having regard to the attributes of the average consumer of the pursuer's single malt whisky (which attributes I have discussed in my consideration of condition 6 of the pursuer's claim under section 10(2)). Accordingly, I am not persuaded that the pursuer has established any link in the mind of the consumer, as required by condition 7. It follows that the pursuer has not established that the defender's use of its Sign will deceive consumers, whether the average consumer of the pursuer's goods and services, or the tourist and other traveller the defender wishes to attract.

[318] Even if I had found a link, the pursuer has not also established, as it must, that any link produces the relevant injury (of either detriment or unfair advantage). I did not understand the pursuer to rely on detriment to repute (see the three types of injury for condition 8, above, at para [259]). In terms of the two other forms of injury, the pursuer



predicates its case that there is “detriment” to the distinctiveness of the pursuer’s Marks or that the defender is taking “unfair advantage of the distinctive character of its Marks, on its submissions as to the similarity of the Marks and the Sign and the likelihood of confusion. There is no evidence that any link (had it been established) would have affected the economic behaviour of the relevant consumer (*Intel Corp v CPM UK Ltd* [2009] ETMR 13 at paragraph 32) and nothing in its submissions persuades me that the pursuer is at risk of any erosion of the distinctiveness of its Marks. In respect of unfair advantage, I have already addressed the pursuer’s reliance on the evidence of the defender displaying casks with the “Tomatin” name on its website. These were also removed from the website more than 2 years ago, at the pursuer’s request. At most, the defender used this image to reference other attractions in the area (not itself) and its use without first seeking the consent of the pursuer was naïve but not borne out of any other motive. I do not accept that this justifies the conclusion that the pursuer is “piggy-backing” on the defender’s reputation or Marks (as several of the pursuer’s witnesses asserted) or constitutes the defender taking unfair advantage.

[319] I am satisfied on the whole evidence, that the defender’s use does not give rise to any detriment. Even assuming the Marks acquired the requisite repute or the 2018 Marks (or any activities carried out under them) had acquired any distinctiveness, the defender’s use of “Tomatin” or of its Sign in relation to the Development does not constitute taking any unfair advantage in relation to them.

[320] Finally, the pursuer must establish that the defender’s use was without due cause (condition 9 of a claim under section 10(3)). The pursuer’s essential point was that there was no “objective justification” for the defender’s use of the Sign, but this submission falters, given my determination of the issue of Tomatin as a place name and my acceptance of the

evidence that it is reasonable and in accordance with honest commercial practices to use the location (Tomatin or the Tomatin junction) as part of its name and in association with the Development.

[321] For these reasons, I find that the pursuer has failed in its claim of infringement under section 10(3). Before turning to the pursuer's third ground of claim, passing off arising at common law, I first address at the remaining issue relevant to the statutory grounds; namely, the defence under section 11(2).

#### *Defence under section 11(2) of the Act*

[322] My findings that the pursuer has failed in its claims for infringement based on the statutory grounds supersedes the question of whether the defender needs to establish the defence under section 11(2). In the event that I am wrong on either of my determinations of the statutory grounds, it is right that I determine this issue.

[323] Reading short, section 11(2), which is quoted above at para [43], provides that a registered trade mark is not infringed by the use of signs or indications which concern the geographical origin of the goods or services, provided that use is in accordance with honest practices in industrial or commercial matters. The leading case of *Samuel Smith Old Brewery (Tadcaster) v Lee (t/a Cropton Brewery)* [2012] F.S.R. 7 ("*Samuel Smith Old Brewery*") provides a helpful exposition of what section 11(2) requires, which I gratefully adopt. (What follows is based on paragraphs 114 to 117 of that case.) The requirement to act in accordance with honest practices in industrial or commercial matters constitutes in substance the expression of a duty to act fairly in relation to the legitimate interests of the trade mark proprietor. It provides a non-exhaustive list of factors which may be relevant to the issue of whether use is in accordance with honest practices:

- 1) whether the defender knew of the existence of the trade mark, and if not whether it would have been reasonable for it to conduct a search;
- 2) whether the defender used the sign complained of in reliance on competent legal advice based on proper instructions;
- 3) the nature of the use complained of, and in particular the extent to which it is used as a trade mark for the defender's goods or services;
- 4) whether the defender knew that the trade mark owner objected to the use of the sign complained of, or at least should have appreciated that there was a likelihood that the owner would object;
- 5) whether the defender knew, or should have appreciated, that there was a likelihood of confusion;
- 6) whether there has been actual confusion, and if so whether the defender knew this;
- 7) whether the trade mark has a reputation, and if so whether the defender knew this and whether the defender knew, or at least should have appreciated, that the reputation of the trade mark would be adversely affected;
- 8) whether the defender's use of the sign complained of interferes with the owner's ability to exploit the trade mark;
- 9) whether the defender has a sufficient justification for using the sign complained of; and
- 10) the timing of the complaint from the trade mark owner.

The court should carry out an overall assessment of all the relevant circumstances and in particular, should assess whether the defender can be regarded as unfairly competing with

the proprietor of the trade mark. An important factor is whether the use of the sign complained of either gives rise to consumer deception or takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark. If it does, it is unlikely to qualify as being in accordance with honest practices. On the other hand, a mere likelihood of confusion will not disqualify the use from being in accordance with honest practices if there is a good reason why such a likelihood of confusion should be tolerated.

*The defender's position*

[324] The defender, who has the onus of proving the defence, contends that it has established this, as its use of "Tomatin" and/or "Tomatin Trading Company" Sign is descriptive of the geographical origin of the goods or services being provided. Accordingly, there is no trade mark infringement in respect of the 2018 Marks. It submits it has used the Sign in accordance with honest practices in industrial or commercial matters. If there was a likelihood of confusion, this will not disqualify the use from being in accordance with honest practices if there is a good reason why such a likelihood of confusion should be tolerated (*Samuel Smith Old Brewery*, at paragraph 117). The good reason in this case is that the defender requires to use its Sign to indicate where its goods or services are provided.

*The pursuer's position*

[325] The pursuer argues that "Tomatin" in the defender's Sign is not performing a descriptive function. It relies on arguments it had advanced on the issue of whether Tomatin is a place name. It also submits that the name, "the Tomatin Trading Company", is "highly artificial" as there is no "trading company" to be located in Tomatin, and that the defender's likening it to the Hudson Bay or East India Companies is "bogus". It submits that even if

the location was thought to be in any way material, there was “no requirement” for it to be identified by way of Tomatin as opposed to any other descriptive term and therefore there was no “necessity or cause” for the defender’s use of Tomatin.

[326] In relation to what it contends is a lack of honest practices, the pursuer quotes the summary of the principles on what constitutes honest practices set out by Arnold J (as he then was) in *Samuel Smith Old Brewery* (at paragraph 118) and in *Sky v SkyKick* [2018] EWHC 155 (Ch), [2018] ETMR 23 (“*SkyKick* (2018 Ch)”) (a further decision of Arnold J) (at paragraphs 327 to 331). It relies particularly on the consideration of whether the use of the Sign gives rise to deception, and it contends that consumers “will be deceived” if the defender uses the Sign, especially the figurative sign. It again relies on what it says are the defender’s illegitimate attempts to associate the Development with the Distillery (based on the marketing materials already noted) and that the defender has chosen a name which is only one descriptive word different from the pursuer’s full business name. It submits that the figurative element of the Sign will, when seen from the road, “bear an uncanny resemblance to” the 2018 Figurative Mark. It also submits that the defender has failed to establish any good reason why the confusion it says arises should be tolerated. Until the change in 2018 to the defender’ name, the Development had been called Juniper Village. There is no other advantage obtained by the defender in the use of “Tomatin”, (other than the association with the pursuer’s business), and “Tomatin” is not needed to add attractiveness to the Development. It submits that, notwithstanding the statements in the defender’s business and marketing materials about passing traffic from the A9 being a source of business, there is no evidence that use of the word “Tomatin” will bring that advantage. Tomatin is not a tourist destination in its own right and the defender’s business and marketing materials did not refer to it as such.

[327] It invokes a number of the factors identified from *Samuel Smith Old Brewery*, namely:

- 1) The references to the Distillery in the defender's plans and promotional materials amply demonstrate the defender's awareness of it. Any reasonable business person would be aware that it was likely that a whisky name would be the subject of trade mark protection and, at the very least, it would have been reasonable for the defender to have conducted a search;
- 2) There has been no evidence that the defender's use of the Sign is reliant on legal advice;
- 3) When considering the nature of the use by the defender of its Sign, it is appropriate to have regard to the fact that it will be used in close proximity to the pursuer's premises and on buildings which replicate the architectural vernacular of distillery buildings;
- 4) After rehearsing the chapters of evidence about the February 2018 meeting and the business card said to have been presented by the defender, the pursuer submits that Mr Frame never mentioned at that time any intention to use the defender's name in association with the Development (and, by inference, nothing should be made of the fact that the pursuer did not then object). It notes that the defender has persisted in using its name in association with the Development, notwithstanding the pursuer's continued objection. (The pursuer refers to its agents' communings which were around May 2019. I have not troubled to record the little evidence there was of this, or of the meeting between the parties in February 2019 (some of which may be privileged));

- 5) It submitted that, having regard to the striking visual and conceptual similarities between the 2018 Figurative Mark and the figurative elements of the Sign, at the very least Mr Frame should have appreciated there was a likelihood of confusion;
- 6) Although it accepted that there was only limited evidence of confusion, this was not an indicator that the defender's conduct accords with honest practices – it was the result of the pursuer having taken prompt action when they were aware of the defender's plans. Given that confusion "is likely to arise", the quality of the Marks to be able to identify uniquely the pursuer's products is lost; and
- 7) the defender has no justification or requirement to use its Sign.

Accordingly, upon an assessment of the overall circumstances, it is apparent the defender is not acting fairly in relation to the pursuer's Marks, and is not respecting their legitimate interests. The defender's conduct does not come within honest practices.

[328] In reply the defender submits that "Tomatin" is performing a descriptive function, namely identifying the location of the Development. Moreover, the use of "Tomatin" was intrinsically linked to the strategic location of the Development and the tourism opportunities the defender had identified. For the purposes of section 11(2)(b) it sufficed that the use of "Tomatin" is capable of designating the geographical origin of the defender's goods and services, and it mattered not that there may be other, more usual, signs or indications for designating the same characteristics of the goods and services referred to in the application for registration. The pursuer's contention is that the media coverage in March 2018 did not emphasise the location of the Development. The pursuer's criticisms of

the defender's name (as "bogus") was irrelevant given that the defender was incorporated in 2010 and the pursuer only expanded its current offering at the Visitor Centre from 2012. In relation to the defender's references in some of its marketing and business materials to the proximity to the Distillery (even if not by name), it is not objectionable *per se*, any more than references to other local or visitor attractions. In fact, the words "with one [ie a distillery] right on our doorstep", pointed away from any association between the Distillery and the Development. In relation to the question of whether the defender had legal advice, the pursuer's agents sent the draft summons in May 2019 and, given that proceedings were not raised until December 2019, it may be inferred that the defender's position was reliant on legal advice. The defender makes the point that, in fact, the defender was not aware of the pursuer's objection until after the pursuer had registered the 2018 Marks and which was telling as to which party was acting in bad faith toward the other. Even if there were confusion, which the defender did not accept, the good reason is that the defender needs to identify the location from which its goods or services will be offered. In those circumstances it was legitimate, reasonable and honest to use "Tomatin" in the name of the Development.

*Consideration of the section 11(2) defence*

[329] Undertaking an overall assessment of all of the relevant circumstances and applying the guidance provided in *Samuel Smith Old Brewery* and in the *SkyKick* cases, I have no hesitation in finding that, had it required to rely on it, the defender would have established the defence available under section 11(2). I have already dealt with the substance of the factors the pursuer relied on. I refer to my findings, above, on Tomatin as a place name. Nor is there anything nefarious or dishonest arising from the timing of the defender's decision to change the name of the Development from "Juniper Village" to "The Tomatin Trading



Company". On the defender's evidence, which was based in part on the advice in the MKA Report of the need to use the location in the name of the Development, this was a key driver for the defender to use Tomatin in the name of the Development. While the pursuer disparaged Tomatin as a place, Mr MacLean accepted that it would be "reasonable" to use "Tomatin" to identify the location of the Development. I agree. In my view this is particularly so where some of the target consumers for goods and services to be offered at the Development are tourists and other travellers; where the Development sits on the very site of the former Little Chef/Freeburn Hotel, that is, at Tomatin junction, where hospitality services (a hotel, and later a restaurant) were formerly provided; and where the defender's proposed offering includes similar hospitality services (a restaurant and hotel). I am satisfied that there are demonstrable advantages to the defender in using "Tomatin" to describe the Development and its use is reasonable and accords with honest commercial practices.

[330] I am not persuaded that the defender's use of the Sign would give rise to a link in the mind of the average consumer between it and the pursuer's Marks. Nor do I accept that the defender's use of its Sign will deceive consumers, whether the average consumer of the pursuer's goods and services, or the tourist and other traveller the defender wishes to attract. I am satisfied on the whole evidence, that the defender's use does not give rise to any detriment. Even assuming the Marks acquired the requisite repute or the 2018 Marks (or any activities carried out under them) had acquired any distinctiveness, the defender's use of "Tomatin" or of its Sign in relation to the Development does not constitute taking any unfair advantage in relation to them. Furthermore, given my determinations that the Sign and the Marks are not identical with or similar to each other, and that there is no likelihood of confusion, the question of whether there is due cause to "tolerate" the confusion (another of the *SkyKick* criteria) does not arise. Had that issue arisen, I would have regarded the

benefits of using “Tomatin” as the location of the Development, and which I have found to accord with honest commercial practice to constitute a good reason why such a likelihood of confusion should be tolerated.

[331] On the whole matter, I reject the pursuer’s submission that the defender’s use is not in accordance with honest practices in commercial matters. Had it required to rely on the defence in section 11(2) – if, in other words, the pursuer had established either of the statutory grounds- its defence would have been made out.

### *Passing off*

[332] The parties were agreed that the constituent parts for a claim in passing off, summarised by Lord Nimmo Smith in *Gleneagles Hotels Ltd v Quillco 100 Ltd*, 2003 SLT 812 (“*Gleneagles*”)(at para 33), are as follows:

- 1) The pursuer’s goods or services have acquired a goodwill in the market and are known by some distinguishing name, mark or other *indicium*;
- 2) There is a misrepresentation by the defender (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defender are goods or services of the pursuer. Whether the public is aware of the pursuer's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the pursuer; and
- 3) The pursuer has suffered, or is likely to suffer, damage as a result of the erroneous belief engendered by the defender’s misrepresentation that the source of the defender's goods or services is the same as the source of those offered by the pursuer.

Of course, these principles are interlinked and the core principle underpinning an action based on passing off is that a “man is not to sell his own goods under the pretence that they are the goods of another man”: *Perry v Truefitt*, (1842) 5 Beav 66, quoted by Lord Jauncey in *Reckitt & Colman v Borden* [1990] R.P.C. 341. In *William Grant & Sons v Glen Catrine* 2001 SC 901, the Lord President (Lord Rodger) approved a similarly compendious formulation of Warrington LJ (as he then was) in *Ewing v Buttercup Margarine Co Ltd* [1917] 2 Ch 1 (at p 13).

[333] On this issue, parties took matters lightly and essentially relied on the same evidence elicited for the statutory grounds.

[334] The pursuer noted, correctly, that as passing off is a ground arising at common law, then the statutory defence in section 11(2) of the Act is not available, with the result that a geographical place name can be distinctive and protectable (*The Lochgelly Iron and Coal Company Limited v John Christie and James Mungall (Lumphinnans Iron Company)*, (1879) 6 R.482 at p 486), as can a distillery’s use of a name (even if also a place name) as its own name (*Highland Distilleries Co. Plc v Spey Malt Whisky Distributors Limited*, 1985 SC 1, 4).

[335] The pursuer submitted that for the purposes of passing off, which is ultimately concerned with the protection of good will, it did not matter that the pursuer was not one of the largest sellers of whisky, so long as it had developed a reputation under the “Tomatin” brand such that there was goodwill in it. The pursuer founded on the long history of the pursuer’s sale of whisky under that name as establishing the requisite goodwill. In asserting passing off, it relied on the proximity of the Development and the Distillery, the dominance of the word “Tomatin” in the defender’s Sign and its identity with the pursuer’s Marks, as instructing the potential for confusion. Under reference to the *dictum* of Lord Hill Watson in *John Haig & Co v Forth Blending* 1954 SC 35 (at p 37) (“*Haig & Co*”), that:

"[n]o man has a right to sell his goods as though they were the goods of another, or, to express this principle more fully, one man is not entitled to sell his goods under such circumstances, by the name, or the packet, or the mode of making up the article, or in such a way as to induce the public to believe that they are the manufacture of someone else",

The pursuer submitted in the circumstances it noted that the defender would be engaging in precisely this kind of inducement, if not stopped. It submitted that, even if the risk of confusion was "slight" (eg as characterised by Lord Prosser in *Dash v Philip King Tailoring*, 1988 SC 87, "the likely result is that it could be thought that the pursuer had diversified and was responsible for the [Development]"). From this it posited that, in addition to damage to the pursuer's goodwill, that some passing traffic might be diverted from visiting the Distillery and instead buy souvenir items from the Development.

[336] The defender's primary position was to rely on its submission that it is not supplying goods and/or services under the "Tomatin Trading Company" sign at this time and, accordingly, that the pursuer's claim for passing off cannot succeed. Its fall-back position, in the event that the court was satisfied that the defender has supplied goods and/or services under the "Tomatin Trading Company" sign or that the absence of such is not a bar to a passing off action, may be summarised as follows:

- 1) The pursuer's protectable goodwill is restricted to its existing business (that is, distilling, maturing and producing its single malt whisky under the "Tomatin" brand as well as in its Visitor Centre and whisky tasting tours) but that it had no goodwill in respect of most of the services included within the specification of the 2018 Marks;
- 2) That a misrepresentation by the defender must deceive a "substantial number" of the pursuer's customers or potential customers (whom the experts described as "single malt whisky aficionados") into purchasing the defender's goods

and/or services in the belief that these were the goods or services of the pursuer (*per* Morritt LJ in *Neutrogena Corporation and Another v Golden Limited and another*, L.J. [1996] RPC 473);

3) In the context of assessing whether a “substantial number” of the customers or potential customers are likely to be deceived by a misrepresentation, the absence of a common field of activity between the two undertakings is an important and highly relevant consideration (*per* Millet LJ in *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (“*Harrods Limited*”), pp 714-715, relying in part on the observations of Stephenson JL in *Stringfellow v McCain Foods (G.B.) Ltd* [1984] R.P.C. 501 at p 547, that “clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage” will be required where the fields of trade of the passer off and the claimant are far removed (in the sense of different) from each other. Where there was no or only a tenuous overlap, the burden of proving the likelihood of deception and resulting damage is a heavy one (*Harrods Limited*); and

4) In this case, the absence of a common field of activity is fatal to establishing a likelihood of deception.

*Consideration of the pursuer’s claim of passing off*

[337] On this matter, I am persuaded that the defender’s primary position is well-founded. The fact that it is not offering goods and services under the Sign means that there is no operative “representation” leading or likely to lead the public to believe that the defender’s goods and services are those of the pursuer. That is necessarily fatal to the pursuer’s case of passing off.

[338] Even assuming that, in the context of an action seeking an interdict based (as the pursuer's is) on reasonable apprehension, it were permissible to consider a prospective representation, the pursuer's claim for passing off founders as it fails to satisfy other elements of such a claim. I accept the defender's submission that the pursuer's protectable goodwill is restricted to its existing business and that, otherwise, the absence of a common field of activity is fatal to the pursuer establishing a likelihood of deception. On the question of good will, parties relied on the same body of evidence elicited for the purposes of reputation and I refer to my findings on the pursuer's reputation, above. My findings in the context of the pursuer's statutory grounds, of the absence of identity as between the pursuer's goods and services and the defender's goods and services (assuming the latter are sufficiently determinable), is apposite to the question of whether there is a common field of activity. They are (or the defender will be) largely engaged in different businesses and pursuing different customers. I accept the defender's submissions that the core offerings of the Development (restaurant, hotel, bakery etc), many of which will have their own branding, are not typically found at a distillery's premises or connected with a distillery. Even if, superficially there will be an overlap (eg because one could buy a coffee or souvenir items at both establishments), this is, at best, tenuous. While the pursuer also relied on the proximity of the Development (to which it says passing traffic might be diverted), I have also held that, by reason of the existing signage (which identify the Distillery at the junction and T-junction) and other circumstances, there is no likelihood of confusion. Those findings are apposite to the pursuer's case of passing off. I accept the defender's submission that the defender's use of the "Tomatin Trading Company" Sign will not cause a substantial number of the pursuer's customers (who will be consumers of single malt whisky or visitors to the Distillery) to be misled into purchasing the defender's goods or services, believing that they

are provided by the pursuer. Furthermore, there is no evidence to support the contention in the pursuer's submissions that a proportion of those intending to visit the Distillery will instead visit the Development. There was no evidence of actual confusion. (I have already dealt with, and placed no weight on, the few social media posts or calls the pursuer elicited as evidencing actual confusion.) There was no evidence of actual confusion, and I refer to my findings on the small body of evidence the pursuer relied on (the social media messages and calls) to evidence actual confusion.

[339] On the totality of the evidence, the pursuer has not proved any misrepresentation, much less one likely to deceive a substantial number of the pursuer's customers or potential customers. To paraphrase Lord Hill Watson in *Haig & Co*, cited by the pursuer, there is nothing in the circumstances which obtain here (be it proximity, the defender's Sign, the goods and services to be offered by the defender or the manner in which they will be presented) "as to induce the public to believe that they are" the pursuer's goods and services. If the pursuer has failed to prove a likelihood of confusion, *a fortiori* it has not proved a likelihood of deception. Finally, the pursuer has not proved any damage. To the extent that it points to the alacrity of its raising these proceedings to explain that, it has nonetheless not demonstrated that there is a real or well-founded risk of damage to its goodwill.

[340] For the foregoing reasons, I find that the pursuer has failed to prove that the defender has or will pass off its goods and services as those of the pursuer. That is sufficient to dispose of the pursuer's case and I turn to consider the defender's counterclaim.

*The defender's counterclaim: the challenge to the validity of the 2018 Marks*

[341] The defender challenged the validity of the pursuer's 2018 Marks on three discrete grounds under section 47(1) of the Act. I did not understand its challenge to extend to the registration of the 2018 Figurative Mark to class 33.

[342] The defender advanced the same argument in support of its challenge based on public policy (under section 3(3)(a)) and geographical origin (under section 3(1)(c)). Given my findings on the issue of whether Tomatin is a place name, it is convenient to deal first with the defender's challenge on these two grounds before considering the ground of bad faith.

*Section 3(1)(a): geographical origin*

[343] The starting point in considering the defender's challenge under section 3(1)(a) ("the geographical origin ground"), is to note that a trade mark which consists "exclusively" of a sign or indication which may serve, in trade, to designate the geographical origin of goods or services shall not be registered, unless it has acquired a distinctive character as a result of the use made of it. (I address the "exclusively" requirement below.) The prohibition also applies to geographical names which are liable to be used in future by the undertakings concerned as an indication of the geographical origin of that category of goods and/or services. Section 3(1)(c) applies where at least one of the possible meanings of a mark designates a characteristic of the goods or services (*Furstlich Castell'sches Domanenamt Albrecht Furst zu Castell-Castell v OHIM* (T-320/10) [2014]). In this case, the characteristic relied on is geographical origin or place of the goods and services where they will be offered; it is not necessary for the goods to be manufactured in the geographical location in order for them to be associated with it: *Windsurfing Chiemsee* at paragraph 37.



[344] The prohibition in section 3(1)(c) applies to the registration of geographical names as trade marks where the names designate places which are in the mind of the relevant class of persons and are currently associated with the category of goods and/or services in question. However, section 3(1)(c) also applies to geographical names which are liable to be used in future by the undertakings concerned as an indication of the geographical origin of that category of goods or services (*Windsurfing Chiemsee*, at paragraph 37.) In other words, the protection extends not just to existing operators, but also to any operator who might in future offer goods or services which compete with those in respect of which registration is sought (or, as here, in respect of a registered Mark which is challenged). Such an operator must be able freely to use the signs or indications which may serve to describe characteristics of its goods or services (in this case, their geographical origin): *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99) [2004] E.T.M.R. 57 (“*Koninklijke*”), at paragraph 58.

[345] Where there is currently no association in the mind of the relevant class of persons between the geographical name and the category of goods and/or services in question, the court must assess whether it is reasonable to assume that such a name is, in the mind of the relevant class of persons, capable of designating the geographical origin of that category of goods and/or services in the future. See *Windsurfing Chiemsee*, at paragraph 37, and also see the helpful discussion of the High Court in *Canary Wharf Group plc v The Comptroller-General of Patents, Designs and Trade Marks* [2015] EWHC 1588 (Ch) (“*Canary Wharf*”) at paragraphs 21 to 24.

[346] The defender submits that underpinning ground 3(1)(c) is a principle of public interest, and it relies on the affinity between this underlying principle and the public policy ground. On the case law, the defender submitted that it was clear that the aim of the

restriction on the use of signs or indications which may serve to designate goods (in this case, it is the geographical origin or place of the goods or services) is the protection of the public interest. It accepted as in the public interest that descriptive indicators, including geographical ones, should be available for use by businesses in relation to the goods and services they provide. The effect of section 3(1)(c), therefore, is to prevent one undertaking from monopolising these, even if they have been registered as trade marks (*Windsurfing Chiemsee*, at paragraph 25). Mr Tariq referred to this as the “keep free” principle.

*Section 3(3)(a): public policy*

[347] The second ground of invalidity, under section 3(3)(a) (“the public policy ground”) and the geographical origin ground effectively proceeded on the same basis, namely, that the pursuer should not be permitted to monopolise a place name which is capable of serving as a geographical indicator for those goods and/or services. The aim of the restriction on the use of signs or indications of geographical origin of goods and/or services is the protection of the public interest. That public interest requires that all signs or indications which may serve to designate characteristics of the goods or services in respect of which registration is sought remain freely available to all undertakings in order that they may use them when describing the same characteristics of their own goods or services.

[348] The defender referred to the case of *Application by Chanel Limited*, Case O-172-13 (“*Application by Chanel*”), in which the Intellectual Property Office (“the IPO”) refused Chanel’s application to register “Jersey” as a trade mark for certain goods (perfumery and cosmetics) as contrary to the public interest of keeping the name available for use by other undertakings to indicate the geographical origin of their products. The defender submitted that the same considerations apply in this case. It was the

defender's ambition, shared by local community and business groups, for Tomatin to become a tourism destination in its own right.

[349] The pursuer submits that the 2018 Figurative Mark is not exclusively a sign to designate origin. It accepts that the 2018 Word Mark consists exclusively of a sign which may designate a geographical origin, but, under reference to regulation 9 of and schedule 1 to the the 2009 Regulations, it contends that in that mark its significance is as the name of the pursuer's Distillery. It submits that other than in its use to describe the Distillery, consumers would not be aware of "Tomatin" as a geographical location. In any event, it submits that it has acquired distinctiveness in the Additional Classes and for which account may be taken of post-registration use. The pursuer queries whether, as a matter of construction of section 3(3)(a), geographical origin – for which there is separate provision – should also fall within section 3(3)(a). It notes that if it did, an anomaly would arise because the proviso present in section 3(1)(c) does not appear in section 3(3)(a). It submitted that the public policy ground in section 3(3)(c) is directed to prevent registration of marks that would give offence.

*Consideration of the first ground of invalidity: the geographical origin ground in section 3(1)(c)*

[350] I start by considering the condition which must be met if section 3(1)(c) is to apply, namely whether the mark under challenge consists "exclusively" of a sign. The defender's challenge under section 3(1)(c) in respect of the 2018 Figurative Mark was predicated on establishing the proposition that the figurative elements of that mark – the rampant lions and hogshead surmounted by a crest, and the words and figures "ESTd" and "1897" placed on the sides of those pictorial elements – were *de minimis* in the context of that mark as a whole. If that submission is accepted, the Figurative Mark would essentially read as

“Tomatin” and it would fall within section 3(1)(c). The defender’s submission was that these elements were wholly descriptive or non-distinctive and that the relevant public was unlikely to view these additional elements as forming part of that Mark or having a trade mark function. The pursuer submits that the Figurative Mark is not to be perceived or treated as being comprised exclusively of the word “Tomatin”.

[351] I do not accept the defender’s submission. The pictorial elements of the pursuer’s 2018 Figurative Mark of the two facing rampant lions and the hogshead surmounted by a crown are highly worked, intricate elements, and are of moderate size relative to the whole Mark. These are significant elements of the Figurative Mark. In my view, the relevant public would perceive these heraldic-style elements, particularly when coupled with the other elements of “ESTd” and “1897”, as seeking to convey qualities of prestige, heritage or antiquity. These elements are conceptually distinct from Tomatin – certainly of Tomatin as a place name. In my view, the relevant public would not dismiss these as *de minimis* or as having no trade mark function. On that analysis, the 2018 Figurative Mark does not satisfy the statutory condition that it must consist “exclusively” of a sign. Accordingly, the defender’s challenge to the validity of the 2018 Figurative Mark based on section 3(1)(c) fails, as does its challenge based on section 3(3)(a), given that the defender relied on the same arguments and evidence for both.

[352] What of the defender’s challenge to the validity of the 2018 Word Mark on the ground of geographical? I refer to my consideration of the evidence, particularly of the parties’ experts, on the issue of whether Tomatin was a geographical place name, and the finding (at paras [93] to [96]) that historically Tomatin village was regarded as a village, with its own post office and church, well before the founding of the Distillery; that its reputation as a convenient stopping place continued in modern times for different types of travellers

(motorists and cyclists replacing drovers and rail passengers); and that Tomatin village, including Tomatin junction, is known as a stopping place with facilities for travellers. There was evidence about the use by a number of local businesses over the years of the description “Tomatin” as part of their business names. There is no doubt that in those instances it is being used as an indication of geographical origin to indicate where those goods or services were supplied. *Prima facie* therefore the 2018 Word Mark falls within the scope of section 3(1)(c).

[353] I understand that the defender accepts that the Original Word Mark has acquired the requisite distinctiveness in respect of Scotch whisky (the class and specification for which it is registered). However, the 2018 Word Mark is not registered in respect of class 33, but in respect of the Additional Classes. Has the pursuer established that it has acquired distinctiveness for “Tomatin” used in relation to the Additional Classes? The pursuer submits that it has, as the pursuer is the only party to have used “Tomatin” in relation to any specified class 41 use for which the 2018 Word Mark is registered; it is the only party to sell retail items under the name “Tomatin” (class 35), and it is the only party to use Tomatin in relation to on-site sales of alcoholic drinks (class 43) (which it has done at the Visitor Centre).

[354] The defender contends that the goods or services for which the 2018 Marks are registered are all the types of goods or services found in most places in the United Kingdom, including small villages such as Tomatin. Retail services connected with the sale of food and beverages (class 35); educational services relating to the production, sale, history and consumption of whisky and other distilled spirits (in class 41); and bars, cafés, restaurants, pubs and catering (food and drink) (class 43) were types of services in many places, including small villages, in the United Kingdom. It also submits that the relevant class of person for the goods or services in classes 33 (with the exception of Scotch Whisky for which

the Pursuer has acquired distinctiveness), 35, 41 and 43 might associate the “Tomatin” name with the name of the village in which those goods and/or services are provided; and that there is a particular likelihood of this association in relation to the services in classes 35, 41 and 43 where the average consumer is likely to have a connection with the village of Tomatin either as a local resident or someone who intends to pass through or near Tomatin. As noted above, there are a number of businesses and amenities within the area of Tomatin that use (or have used) the “Tomatin” name in the course of a business.

[355] In my view, the pursuer has not established that “Tomatin” has acquired any distinctiveness in the Additional Classes for which the 2018 Word Mark was registered. Given the relatively short period of time during which the pursuer has offered goods and services under the Additional Classes protected by the 2018 Marks and the limited offer of those goods and services (which I discuss in more detail below, in my consideration of the bad faith ground), and given my finding of the absence of the requisite reputation, I find that the pursuer has not established distinctiveness. It has not brought itself within the proviso. The 2018 Word Mark therefore falls to be invalidated under section 3(1)(c).

*Consideration of the second grounds of invalidity: the public policy ground in section 3(3)(a)*

[356] In relation to section 3(3)(a), in the absence of full argument on what may be an important point on the construction of this subsection, I express only a provisional view. While the defender has persuasively argued that the pursuer should not be able to monopolise a place name which is capable of serving as a geographical indicator for goods and services (on the hypothesis “Tomatin” is a place name), and which was presented as also invoking the “keep free” principle, there is force in the pursuer’s submission that it was not intended that the public policy ground in section 3(3)(a) should subsume other available

grounds, and that doing so in this case creates an anomaly. The fact that the proviso in section 3(1)(c) could be elided by resort to section 3(3)(a), if the latter provision were construed to encompass a matter that might also fall within section 3(1)(c), militates against this construction.

[357] I therefore uphold the defender's challenge to the invalidity of the 2018 Word Mark on the first ground under section 3(1)(c), but not in respect of the 2018 Figurative Mark. I reject the defender's challenge to both of the 2018 Marks under section 3(3)(a). I therefore turn to the defender's challenge on the third ground of invalidity, of bad faith.

*The defender's third ground of invalidity: bad faith*

[358] In terms of section 3(6) of the 1994 Act, a trade mark shall not be registered if or to the extent that the application is made in bad faith. A trade mark application made without any intention to use the mark in relation to the goods and services covered by the registration constitutes bad faith, if the applicant for registration of that mark had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark. The relevant principles applicable to bad faith registrations are set out in the cases of *Red Bull GMBH v Sun Mark Ltd, Sea Air & Land Forwarding Ltd* [2013] ETMR 53 ("*Red Bull*") at paragraphs 130 to 138 and *Sky v SkyKick* [2020] EUCJU C-371/18, [2020] ETMR 24 ("*Skykick* (CJEU)") at paragraphs 74-80, as follows:

- 1) The relevant time for determining whether there was bad faith on the part of the applicant is the time of filing the application for registration. However, later

evidence is relevant if it casts light backwards on the position as at the application date (*Red Bull* at paragraphs 131 to 132);

2) A person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith (*ibid* at paragraph 133);

3) Bad faith includes not only dishonesty, but also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined (*ibid* at paragraph 135);

4) In order to determine whether the applicant acted in bad faith, the court must make an overall assessment, taking into account all the factors relevant to the particular case (*ibid* at paragraph 136);

5) The court must first ascertain what the applicant knew about the matters in question and then decide whether, in the light of that knowledge, the applicant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry (*ibid* at paragraph 13);

6) A trade mark application made without any intention to use the mark in relation to the goods and services covered by the registration constitutes bad faith, if the applicant for registration of that mark had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for



purposes other than those falling within the functions of a trade mark (*Skykick* at paragraphs 74 to 78); and

7) Account may also be taken of the commercial logic underlying the filing of the application for registration of the sign and the chronology of events relating to the filing (*SA.PAR v OHIM (GRUPPO SALINI)* Case T-321/10, at paragraph 23).

Furthermore, as bad faith is rarely admitted, it may be established by the court drawing the necessary inference from the objective facts before it. Similarly, the registered proprietor's subjective belief that its' conduct constituted acceptable behaviour does not preclude a finding of bad faith, if there is an objective basis to support that inference.

[359] Cases in which bad faith is established are relatively rare. Some examples of bad faith were drawn from one of the leading textbooks, *Kerly's* (at paragraphs 10-334 to 10-335), including:

- 1) An attempt to hijack a mark or spoil a competitor's plans – i.e. the applicant has no *bona fide* intention to use the trade mark at all, but wishes to prevent a competitor from using the, or a similar, mark;
- 2) The specifications of the goods or services is too broad – i.e. the applicant has used the mark on a limited range of goods for some years. They have no current plans to expand their use beyond the existing range of goods but the specification of goods for which they are applying includes goods which are unrelated to the goods in relation to which they currently use the mark;
- 3) The specifications of the goods or services is too broad – i.e. the applicant has used the mark on a limited range of goods for some years. They have no current plans to expand their use beyond the existing range of goods but are advised to apply for a specification of goods including goods which are unrelated to the goods

in relation to which they currently use the mark, in order to secure the widest infringement rights. The applicant follows the advice.

[360] The recent *Skykick* cases provide invaluable assistance on bad faith in this context. It confirmed that a trade mark application made without any intention to use the mark in relation to the goods and services covered by the registration constitutes bad faith, if the applicant for registration of that mark had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark (*Skykick* at paragraphs 74 to 78).

[361] The defender founded strongly on another of the *Sky v SkyKick* cases ([2020] EWHC 990 (Ch) ("*SkyKick* (2020 Ch)"), at paragraphs 21 to 22) and *SkyKick* (2018 Ch), at paragraph 250) and on the findings of Arnold LJ in the former case), that the trade mark applications in that case had in part been made in (bad faith for four separate reasons, as follows:

- 1) Not merely did the applicant in *SkyKick* not intend to use the trade marks in relation to some goods and services covered by the specifications at the application dates, but there was no foreseeable prospect that they would ever intend to use the trade marks in relation to such goods and services;
- 2) The applicant made the applications pursuant to a deliberate strategy of seeking very broad protection of the trademarks regardless of whether it was commercially justified;
- 3) The applicant applied for the trade marks with the intention of obtaining an exclusive right for purposes other than those falling within the functions of a trade mark – namely, purely as a legal weapon against third parties, whether in threats of

infringement claims or actual infringement claims or oppositions to third party applications for registration; and

4) The applicant made a partly false section 32(3) declaration in order to obtain such protection. This was plainly inconsistent with honest practices in industrial and commercial matters and strengthened the conclusion that the applications were made in bad faith.

[362] The defender submits that the pursuer filed the 2018 Marks in bad faith for the same reasons. The evidence it founds on is as follows:

1) That the pursuer was aware of the defender's intended use of the name "Tomatin Trading Company" for the Development by the time it filed the registration for the 2018 Marks. It founds on the February 2018 meeting and on the media publicity in the following month in which most of those mentioned the defender's plans for a "hotel, restaurant and retail development". The applications for the 2018 Marks covered the very services that had been announced in the press as forming part of the proposed Development. The timing of the pursuer's applications to register the 2018 Marks, coming within days of that media coverage, was not coincidental;

2) The pursuer produces single malt whisky under the "Tomatin" brand. It filed the applications for the 2018 Marks in bad faith and with the intention of obstructing the defender's use of its name in relation to the Development. There was no reasonable explanation proffered at the proof, notwithstanding the defender's challenge on this issue. Mr Bremner's evidence as to the timing was unconvincing. The pursuer failed to produce any documentary evidence of its discussions with its trade mark agents about the registration of trade marks beyond class 33 despite

having discussions “for quite a few years”. The sole evidence was the single assertion by Mr Bremner (see para [152], above). The pursuer anticipated that the defender wanted to use “Tomatin” for the type of goods and services the 2018 Marks were registered; and its knee-jerk reaction was to file applications for the 2018 Marks as soon as possible. The pursuer was in effect seeking to lay its hands on registered trade marks which could prevent the defender’s intended use of “Tomatin” within the name of the Development;

3) Separately, the pursuer filed the applications for the 2018 Marks without the intention at the application dates of using the marks in relation to the goods and services covered by the registrations. The pursuer filed the applications as part of a deliberate strategy of seeking very broad protection for the “Tomatin” mark regardless of whether it was commercially justified. Mr Tariq noted that section 32(3) of the Act requires that when making an application to register a trade mark, an applicant must state that the trade mark is being used or that there is a *bona fide* intention that it should be so used. The pursuer has failed to show a *bona fide* intention to use the 2018 Marks in relation to the goods and services for which they were already not being used. Mr Bremner’s evidence about the potential expansion of the Distillery’s Visitor Centre was unconvincing and should not be accepted. It follows that the pursuer has made a false, or partially false, declaration to obtain the protection of the 2018 Marks in respect of the goods and/or services for which they are registered.

In these circumstances, the 2018 Marks should be invalidated in terms of section 3(6) as the applications were made in bad faith.

[363] In reply, the pursuer relies on the following principles, derived from *Red Bull v Sun Mark* [2013] ETMR 53, at paragraph 133, namely: that it is presumed that the applicant acted in good faith and the onus is therefore on the party making the challenge to prove bad faith; that an allegation of bad faith is a serious allegation which must be distinctly proved; that the standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation; that it is not enough to prove facts which are also consistent with good faith (paragraph 133); and that section 3(6) is intended to prevent abuses of the trade mark system – either *vis a vis* the trade mark office or *vis a vis* third parties (at paragraph 135).

[364] It submits that there is no evidence that is capable of supporting the allegation of bad faith. In making that submission, the pursuer referred to Mr Bremner’s explanation that the 2018 Marks were intended to broaden out the Original Word Mark, and it stated that Mr Bremner’s evidence was that the pursuer did so “on the advice of trade mark attorneys”. The registration of the 2018 Marks was also said to tie in with the 2016 brand refresh and driven by the fact that the revenue from the Visitor Centre had become “a significant part” of the pursuer’s business. The pursuer’s submission was that

“Although **expansion** of the visitor’s centre was **paused** and there were no concrete plans, it has **actively** been investigated and it was then and **remains a real possibility**. It is not bad faith for a party to seek trade mark protection with a view to developing their business in future.” (Emphasis added.)

This was developed in the pursuer’s supplementary submission:

“Although the works were not carried out immediately, the position was similar to that described by Arnold J in *Red Bull* in that there was no ‘concrete intention’ ([2013] ETMR 53, paragraphs 191 and 192). That was found not to lead to an inference of bad faith there and it should not do so here. A similar decision was reached in *Total v You View* ([2015] FSR 7) where it was held that there was no requirement for a positive intention at the time of application to use that mark across the whole range of activities covered by the specification. This is consistent

with the decision of Arnold LJ in *Sky* when he said at paragraph 21,

‘In my judgment *Sky* applied for the Trade Marks partly in bad faith in each of the three ways referred to in the Main Judgment at [251]. Not merely did they not intend to use the Trade Marks in relation to some goods and services covered by the specifications at the application dates, but there was **no foreseeable prospect that they would ever intend to use** the Trade Marks in relation to such goods and services. Moreover, *Sky* made the applications pursuant to a **deliberate strategy of seeking very broad protection of the Trade Marks regardless of whether it was commercially justified**. *Sky* thus applied for the Trade Marks with the intention of obtaining an exclusive right for **purposes other than those falling within the functions of a trade mark**, namely purely as a legal weapon against third parties, whether in threats of infringement claims or actual infringement claims or oppositions to third party applications for registration (as to which, see also the Main Judgment at [69]-[72]).’” (Emphases added in the submission)

The pursuer founded on those observations and submitted that there was no evidence of the three factors identified in that case: Mr Bremner had not become aware at the February 2018 meeting of the defender’s intention to use its name for the Development; the broader protection had followed “**advice** that [the pursuer] should do this” and this was commonly done by other distilleries (emphasis added). In any event, it complained that there was no fair notice by the defender of what limitation should have been made to the scope of the registration.

*Consideration of the bad faith challenge: What was the pursuer’s state of knowledge at the relevant time?*

[365] It is in this context that the evidence of the February 2018 meeting is relevant. The defender relied on the email sent just before it, and (on its version of events) Mr Frame’s mention at that meeting of the Tomatin Trading Company name in association with it as well as the business card it said was handed over. The pursuer’s witnesses were adamant that Mr Frame did not mention the use of the defender’s name on that occasion as the

trading name of the Development going forward, and that no business card containing that name was produced. I am not persuaded that this chapter of evidence is particularly significant or that any safe conclusion can be made as to whether Mr Frame mentioned the defender's intention to use its name.

[366] The acknowledgement of the pursuer's witnesses questioned about this of their awareness of the media coverage of the Development (in which there was mention of the defender's name and the proposed retail, restaurant and hotel facilities) a few weeks later supersedes, in practical terms, the evidence of what was or was not said at the February 2018 meeting. The pursuer's witnesses who were questioned accepted that as a consequence of the media coverage on 21 or 22 March 2018 they were aware of the key elements of the defender's Development and that it was being described as the "Tomatin Trading Company". (The assertion to the contrary in the pursuer's written submission is inconsistent with this evidence.) Both Mr Bremner and Mr Anderson were visceral in their reaction to the prospect of the defender's use of "Tomatin" as part of its trading name and they were both adamant that the pursuer was entitled to exclusive use of "Tomatin". (And of course that stance informs the grounds maintained in the principal action.) This evidence lends some limited support to the pursuer's position that this aspect of the defender's plans was not discussed at the February 2018 meeting. (If that is the case, the pursuer's omission to mention its own pending or intended applications at the meeting of February 2018, a matter founded on by the defender as indicative of bad faith, becomes a neutral factor.)

[367] I also accept their evidence that they did not read or really focus on the subject-line of the email the defender sent to them just before that meeting. The evidence about Mr Frame's presentation of the business card was equivocal: Mr Anderson could not state positively that he had received one; Mr Frame could not positively state that he had handed

one over – it was only his “habit” to do so. That evidence, together with the evidence elicited in cross-examination of Mr Frame that the version of the business card produced post-dated the date of the February 2018 meeting (because the 3D plan of the Development it depicted was a later iteration of the proposed design of the Development), and Mr Bremner’s evident surprise in the witness box when the obverse side of the business card produced was put to him, all lead to the conclusion that the business card produced was not the one presented at the February 2018 meeting. However, as noted above, this matters little, given the clear evidence that the pursuer was aware of the defender’s proposal to use its name at the Development from the media coverage in mid-March, a few weeks after the February 2018 meeting. Mr Bremner retracted the assertion, made in his initial witness statement, that he was not aware of the defender’s intention to use its name until January 2019. In evidence he accepted that he was aware of the media coverage in mid-March 2018. That coverage included the defender’s proposed use of the name “The Tomatin Trading Company” and the key facilities of a hotel, restaurant and retail it proposed to offer.

*Consideration of the bad faith challenge: Is there any credible evidence that the pursuer acted on advice?*

[368] It is accepted that where a party acts on the advice of a professional, such as a trade mark agent, this can be highly relevant to an issue such as bad faith. Equally, on the authorities, a party’s failure to vouch that it has had, and acted on, such advice can be weighed in the balance. The pursuer’s evidence about the involvement of its trade mark agents was wholly unsatisfactory. Mr Bremner endeavoured to suggest that the pursuer was “proactive” in such matters (referring to the number of its global marks), but at the same time he suggested that the pursuer had been “discussing with [the pursuer’s] trade



mark agents for quite a few years” extending its protection to the classes covered by the 2018 Marks. At its highest, his evidence amounted to no more than that, at some point in the past, there had been essentially generic advice about possibly obtaining broader trade mark protection. There was only the most limited evidence of what prompted the pursuer to file the applications for the 2018 Marks at all, or at the time it did, or of the scope of the protection sought. Again, only Mr Bremner spoke to this matter. The wording of Mr Bremner’s statement was careful: at no point was it asserted that the pursuer’s trade mark attorneys “advised” the pursuer to register the Marks. (The pursuer’s assertion in its written submissions to the contrary, quoted above at the end of para [364], overstates the evidence.) Mr Bremner’s choice of words, that the trade mark agents had seen some coverage and “encouraged into signing”, is problematic. This falls far short of those agents giving advice to the pursuer to do so. Given the obvious importance of this issue, I infer that it could not be positively stated that the pursuer’s trade mark agents had given the pursuer advice and that a positive-sounding word such as “encourage” was selected to mask that omission. Further support for this is found in the only other passage of Mr Bremner’s evidence on this point: “**This coverage [ie the media coverage in March 2018]** acted as a **prompt for us** to act on the expansion of our trade marks” (emphasis added). This points away from advice from its trade mark agents as the motivating factor for, or explaining the timing of, the pursuer’s applications for the 2018 Marks. In his evidence on this matter, Mr Bremner appeared to be both uncomfortable and aggressive. I did not find his evidence on this chapter to be credible. The absence of any documentary evidence, or even a witness from its agents (who appear to be Edinburgh-based), was a critical omission. Mr Bremner did not suggest that there were documentary materials; he simply confirmed that nothing had been produced.

[369] I have already noted Mr Bremner's visceral reaction to any proposed use of the defender's name in relation to the Development. Mr Anderson had a similar reaction. It was clear that both of these witnesses had strong views that the pursuer had exclusive rights to the Tomatin name and that it was to be protected, which militates against any inference that they were acting on advice. Their strong views on the pursuer's entitlement to the exclusive use of "Tomatin" may have led them to believe that advice was not needed, and which may explain the absence of written or credible evidence of any advice from the pursuer's trade mark agents.

*Consideration of the bad faith challenge: The chronology or timing of the pursuer's registration of the 2018 Marks*

[370] The defender founds on the timing of the pursuer's application for the 2018 Marks, particularly for the 2018 Word Mark, which was only 4 or 5 days after the media coverage of the Development. I find the exceptionally short space of time between the media coverage and the pursuer's application for the Word Mark to be significant, if unexplained. None of the pursuer's witnesses suggested that the timing was coincidental. There was, for example, no evidence that the application for the 2018 Word Mark was already in the course of preparation. Further, this body of evidence is consistent with the evidence I have noted, of the senior executives' protective instincts in respect of the "Tomatin" name and of their views that the pursuer had exclusive rights to this. Collectively, I find these circumstances to be compelling. On the authorities, the absence of a credible explanation for the timing of an application may be a relevant factor as part of the overall assessment of whether there has been bad faith. I give some weight to the absence of a credible explanation from any of the pursuer's witnesses for the timing of the applications for the 2018 Marks.

*Consideration of the bad faith challenge: The pursuer's current and proposed offering under the Additional Classes*

[371] I next consider the nature of the pursuer's current and proposed offering under the Additional Classes, as this may inform the issue of its intention, as well as whether the scope of the specifications secured under the Additional Classes were too broad. It is relevant to consider not just the pursuer's present offering, but what it may offer in the future. These matters are to be judged objectively: it is not enough for a party blandly to assert that it has an intention to supply the goods or services in the future. The defender cited the case of *Re Ducker's Trade Mark* [1929] 1 Ch. 113. In that case, the Court of Appeal held that the *bona fide* intention to use a trade mark, as required by section 37 of the Trade Marks Act 1905 (and now required by section 32(3) of the Act), means a definite and present intention on the part of the proprietor to use it; and that this section is not satisfied by a precautionary registration with a contingent intention of using the mark if the occasion required.

Lord Hanworth M.R. 7 stated:

"... a man must have an intention to deal, and meaning by the intention to deal **some definite and present intention to deal**, in certain goods or descriptions of goods. I agree that the goods need not be in being at the moment, and that there is futurity indicated in the definition; but the mark is to be a mark which is **to be definitely used** or in respect of which there is **a resolve to use it in the immediate future** upon or in connexion with goods. I think that the words "proposed to be used" mean a **real intention to use**, not a mere problematical intention, **not an uncertain or indeterminate possibility**, but a resolve or settled purpose which has been reached at the time when the mark is to be registered." (Emphasis added.)

In that same case, he considered the meaning of *bona fide*:

"What is the meaning of "bona fide"? I think that **must mean a real intention in the sense which I have already explained**, and if it is not found that there was that **real resolve, intention and purpose**, then it is established that originally the mark was put upon the register when it ought not to have been put on, because there was not a sincere purpose to make use of the mark in connexion with goods. If that is the right

view it accords precisely with what Tomlin J. has determined. He says (1): ‘I do not think that there was, at the time of registration, any definite and present intention to use it within In re Batt’s Trade Marks (2), the language in which is as appropriate to-day as when that case was decided.’ It appears to me, therefore, that Tomlin J. has reached what, to my mind, is the right construction of both the sections in the Act of 1905, with the consequence that, accepting the facts as found by him, it has been proved to him that there was not, within the meaning of the Act, a bona fide intention to use; and on the second part it is admitted there was non-user up to the date of the application.” (Emphasis added.)

I bear these observations in mind when considering the evidence relevant to this ground of challenge. Before doing so, I should address the pursuer’s reliance on what some other distilleries may have done in terms of seeking protection for classes beyond class 33. In my view, this evidence is unpersuasive. There was no evidence that this had motivated the pursuer at the time (as opposed to being invoked as an *ex post facto* justification). More fundamentally, whether other distilleries do seek to extend their trade mark protection does not lend support any finding that the pursuer has done so. It is entirely neutral evidence on the issue which the defender must distinctly prove, which was whether the pursuer’s registration of the 2018 Marks was in bad faith.

[372] In this case, the question of whether the pursuer has the requisite intention or resolve to offer goods or services falling within the Additional Classes is inextricably bound up with the question of timing, that is, the future time-frame within which any asserted intention might be brought to fruition. I propose to address this by considering the evidence about the current and proposed offerings under the Additional Classes.

[373] Starting with Class 35 (retail), whether considered as part of the pursuer’s overall turnover, its activities within the United Kingdom or in qualitative terms, the pursuer’s retail offer covered by the 2018 Marks, can only be described as very limited. While the Visitor Centre’s contribution to the pursuer’s turnover was a little over £1 million in 2019,

the amount contributed by its retail offering (ie excluding whisky sales and distillery tours) was exceptionally modest, at £50,000 (or only 5% of the Visitor Centre's turnover, the figures are provided at para [74], above). The scant evidence about the offering of such items at occasional external events (eg at festivals or food fairs) would suggest any sales outwith the Visitor Centre were minimal. There was no evidence to suggest that the pursuer proposed to extend its range of retail offering or its reach, such as selling its goods on a regular or permanent basis at other outlets. Indeed, on Mr Bremner's evidence, the pursuer had closed a shop in 2016. Nor was there any evidence that the space at the Visitor Centre would be expanded or reconfigured to accommodate an increased retail offering. Rather, on the pursuer's evidence it wished to reduce or "stabilise" numbers at the Visitor Centre.

[374] Turning to class 43, bar and leisure, the pursuer's current offering is even more limited than its retail offering. There is at present no restaurant, café or meal provision. The pursuer did not lead evidence as to the capacity of the Visitor Centre, which therefore had to be gleaned from photographs of the Centre's interior. The Visitor Centre's bar area (as depicted in the photographs) appeared able to accommodate up to four or (possibly) five adults and perhaps another one or two adults seated around the one or two up-turned barrels. That is the context in which to assess Mr Bremner's assertion that the pursuer hosted "entertainment, conferences and educational events" at the Distillery. At best, that statement is a gross exaggeration of the pursuer's ability to host such events; at worst, it is misleading and it does not reflect the very limited capacity of the Visitor Centre. There was no evidence of anything characterised as "entertainment" of the kind to which the general public might have access, or of any educational activity other than the tour of the Distillery (coupled with any pre-tour video or post-tour question-and-answer tasting session). There

is no kitchen at all at the Distillery and no space in the Visitor Centre is dedicated to eating or drinking at a table.

[375] The only foodstuffs offered for eating on the premises (as opposed to a packaged fruit cake or a packet of fudge sold as gifts) were the individually-wrapped biscuits placed next to the coffee machine. Coffee and tea was self-serve and available from a small machine with a capacity to produce two cups at a time. (While Mr McGowan did not note these during his visit, these items may have been removed as a consequence of the pandemic to reduce hand-to-hand transmission.) In terms of cold drinks, I have noted the evidence of this: the 2019 spreadsheet of soft drinks sold in 2019 disclosed a total of less than 70 purchases in a year and the vast majority of those were under a pound. In respect of the consumption of whisky, the layout and very modest size of the bar area was geared towards whisky being offered for tasting a dram (rather than for purchase for consumption on the premises, as a discrete activity). The evidence of the sale or consumption of any other alcoholic drinks was non-existent. Again, and not surprisingly, given the pursuer's evidence that tastings were to facilitate the purchase of bottles of whisky, this is a very specific kind of experience for the purposes of class 45. Indeed, on the pursuer's evidence, such consumers were being converted into brand ambassadors. There was no suggestion that consumers would travel to the Visitor Centre for the primary purpose of obtaining a meal out or a drink to be savoured over a period of time at a table or in company.

[376] Several of the pursuer's witnesses spoke to the ambitions for the Visitor Centre as including a restaurant. However, it was accepted that in none of various concepts produced in late 2017 or early 2018 was there any provision made for a restaurant or even a kitchen to service it. Apart from a small room intended for whisky-tasting purposes, with a single table for a notional eight or ten persons, there was no provision for any space dedicated to

any activity falling within class 43. By March 2018, the pursuer had shelved all of these proposals in favour of providing more office space. None of the pursuer's witnesses offered any kind of time-frame within which realistic provision by way of a kitchen, or a restaurant, or dedicated dining and drinking spaces might come to fruition. At best, Mr Bremner put it negatively, that the pursuer had up to 5 years before it had to offer goods or services within the Additional Classes. Beyond the three proposals considered in late 2017 (none of which provided for these kinds of spaces), there was no other evidence of even any basic preparatory steps taken by the pursuer to bring its plans for offering goods or services within this class to fruition - whether in the form of market research or projections to test the viability of this level of expenditure, or of architects' detailed drawings, or the results of any soundings from, or applications to, the local authority from whom a variety of consents would in due course be required. The pursuer's witnesses were pressed on the firmness of the pursuer's plans for this kind of provision. Each accepted that there were "no concrete proposals" to build a kitchen or restaurant or other provision enabling the expansion of the pursuer's activities falling within class 43 beyond its existing and very limited provision. The language that was used, to describe the pursuer's plans as "fluid" or "being discussed", could not mask the absence of any real intention in any credible time-frame on the part of the pursuer to provide any goods or services (beyond the very limited offering in place) under this class. On this chapter of their evidence, the pursuer's witnesses were wholly unconvincing.

[377] The pursuer's educational offering comprised the distillery tours and the video shown in the Visitor Centre in the summer months. There was no evidence to suggest that this provision was to be augmented in any way, or that the Visitor Centre or any other part

of the Distillery covered by the tour had the capacity for increased numbers. There is no evidence of the form that any other activity at the Development within this class would take

[378] In light of this evidence, Mr Bremner's assertion that the 2018 Marks were applied for to protect the pursuer's "core business" is simply not credible in relation to any of the Additional Classes. Nor is it consistent with commercial logic, given the very modest contribution these activities at present make to the pursuer's turnover.

[379] On the question of the time-frame within which a trade mark holder must provide the goods or services in order to deflect a bad faith challenge, the parties produced cases supporting different formulations of the permissible degree of futurity: the case of *IRC*, cited by defender, suggested a shorter time-frame ("a resolve to use in the immediate future") than the phrase in one of the *Skykick* cases (that bad faith may be inferred if there were "no foreseeable prospect that [the holder of the mark] would ever intend to use" the classes covered). In their evidence, the witnesses assented to the proposition that there "were no concrete proposals", although Mr Lake takes the point that that formulation is not the test and, in any event, this evidence is not determinative. Even assuming the more generous formulation and bearing in mind that the onus rests on the defender, on the whole evidence I find that it has been ample and compelling evidence that there is no foreseeable or realistic prospect that the pursuer will offer the goods and services falling within the Additional Classes to the extent that they do not already do so in the limited way disclosed in the evidence. Testing this another way: on the evidence, there is no prospect the pursuer will do so within the remaining two years of the 5-year period from when each of the 2018 Marks was registered.

[380] In light of this evidence, I accept the defender's submission as well-founded that the pursuer has failed to show a *bona fide* intention to use the 2018 Marks in relation to the goods



and services for which they were already not being used, and that, accordingly, the pursuer has to that extent made a false, or partially false, declaration to obtain the protection of the 2018 Marks for the Additional Classes.

[381] Moreover, the evidence I have just noted (including that of the pursuer's senior executives, particularly Mr Bremner, of the pursuer's protectiveness of Tomatin; its belief that it has exclusive use of it; the patent lack of commercial justification for the Additional Classes, having regard to the minimal contribution these activities make to the pursuer's turnover), amply supports the inferences that in registering the 2018 Marks for the Additional Classes the pursuer was pursuing a deliberate strategy of seeking very broad protection of the trademarks regardless of whether it was commercially justified; and that its motive in doing so was to use the 2018 Marks as a weapon to thwart the defender's engaging in these activities under its name at the Development. In doing so, the pursuer's conduct fell short of the standards of acceptable commercial behaviour observed by reasonable and experienced persons in this industry. A small but telling adminicle of evidence is the contrast between the pursuer's tolerance of the use of Tomatin by other businesses as part of their trading names and its determination to preclude the defender's use of it for the Development.

[382] In coming to these conclusions I have borne in mind the guidance provided in the cases of *Red Bull* and *Skykick*, in particular that the pursuer is presumed to act in good faith, that the defender bears the onus, that the assessment is an overall one having regard to the whole evidence, and that bad faith must be distinctly proved upon a cogent body of evidence. I have also addressed the discrete factors the parties identified from the case law or textbooks (eg the pursuer's state of knowledge, the timing and commercial logic of the registrations etc) and provided my findings on these matter above. I find that the evidence I

have accepted is not consistent with good faith on the part of the pursuer. Having regard to the totality of the evidence and making an overall assessment of it, as informed by the guidance from these cases, I find that the defender has distinctly proved on the basis of cogent and compelling evidence that the pursuer was in bad faith at the time it registered the 2018 Marks. That finding is subject to whether, or to what extent, any of the specified activities under the Additional Classes had acquired distinctiveness by the time of the application for these marks, and would fall to be excluded from the bad faith challenge. If that is the case, this would give rise to a partial invalidity. I return to this, below.

## **Discussion of the remedies**

### *The defender's prejudice point and the pursuer's remedies*

[383] Three final matters require to be dealt with, concerning the remedies sought in the principal action and in the counterclaim.

#### *The defender's prejudice point*

[384] As noted above, in addition to the prematurity point the defender contends that it is prejudiced by these proceedings. That submission arises from the interaction of the principal action, the defender's Application and the pursuer's Opposition Proceedings. Only the UKIPO has the competence to determine the defender's Application. If it grants the Application, section 11 of the Act is brought into play. That section provides that

“A registered trade mark is not infringed by the use of a later registered trade mark where that later registered trade mark would not be declared invalid pursuant to section 47(2A) or (2G) or section 48(1).

The defender notes that if the UKIPO granted the Application, this would be a complete defence to the pursuer's claims, as the defender's use of its own (now registered) trade mark

would not constitute an infringement of any of the pursuer's Marks. However, on the application of the pursuer, the UKIPO has sisted its consideration of the Application, pending the Court's determination of the principal action and the counterclaim. The defender submits that the pursuer has effectively blocked the defender from advancing its Application before the UKIPO. In those circumstances, it would be highly prejudicial to the defender if the court were to assess the likelihood (or, on the pursuer's approach, the pursuer's reasonable apprehension) of trade mark infringement at some point in the future, because this approach would ignore the defender's pending application to the UKIPO. The UKIPO's determination could fundamentally alter the parties' rights. In these circumstances, it submits that the court should only view the pursuer's claims of trade mark infringement on the basis of how matters stand at this time. Its submission was, in effect, that evidence of potential future use should be disregarded. As the defender is currently not using the "Tomatin Trading Company" Sign "in relation to goods or services", its claims of trade mark infringement cannot succeed.

[385] The defender makes the same point in relation to the pursuer's claim of passing off: in the absence of any supply by the defender of any goods or services and, accordingly, in the absence of any operative (and assumed) misrepresentation at this time, the court is being compelled to speculate as to what goods or services will be provided by the defender in future and the relevant conditions in the market at that time to assess whether consumers might be deceived. In these circumstances, the claim for passing off cannot succeed.

[386] The defender contrasts this with the position if the pursuer had not proceeded so quickly with the principal action. In those circumstances, the respective rights of the parties would have been certain (and, if the defender's Application had succeeded, it would have had a complete defence to the pursuer's claim of trade mark infringement), as would the

factual matrix against which trade mark infringement and passing off are to be assessed.

The defender refers to the test it identified from the English *quia timet* cases and maintains that the pursuer is bound to fail. In doing “justice between the parties, having regard to all the relevant circumstances” (*per* Russell L.J. said in *Hooper*), the court should dismiss the action at this time.

[387] The pursuer’s response on the timing of its action was to refer Mr Frame’s evidence and the representations in the marketing materials and on the website that the defender’s name will be used in association with the Development as being sufficient to justify its reasonable apprehension of infringement. In this context, it relies on the following passage from *Celine* ([2007] ETMR 80, at paragraph 23) in which the CJEU observed:

“...even where the sign is not affixed, there is use “in relation to goods or services” within the meaning of that provision where the third party uses that sign in such a way **that a link is established** between the sign which constitutes the company, trade or shop name of the third party and the goods marketed or the services provided by the third party.” (Emphasis added.)

This reflects the passage of the Opinion of the Advocate General (at paragraph 61) in the same case:

“Subsequent use of such a name in the course of trade must be assessed by the competent court in order to determine whether it constitutes use in relation to goods or services for the purposes of that provision, that is to say, whether it is such as to distinguish the goods or services concerned and to affect the trade mark proprietor’s interests by encroaching upon the ability of his trade mark to fulfil its essential function of guaranteeing to customers the origin of his own goods or services. That will be true in particular **if the use in question creates the impression that there is a material link in trade** between the trade mark proprietor and goods or services of another origin. In that regard, it **must be established whether the consumers targeted are likely to interpret** the use of the sign as designating or tending to designate the origin of the goods or services.” (Emphasis added.)

It notes that this approach has been followed in cases such as *UDV North American Inc. v Brandtraders NV* [2010] ETMR 25 (paragraph 47), and that in *RXworks Limited v Hunter (t/a Connect Computers)* [2008] ECC 15 (paragraph 22) it was held that the sign need not have

motivated sale and need not even be visible at sale. The pursuer's position is that it has demonstrated a link and that the defender's intention in relation to the Development, spoken to by Mr Frame, brings this case within the scope of Celine and justifies the pursuer's reasonable apprehension. The pursuer submits that the fact that the defender made an application for a trade mark makes these proceedings more appropriate, rather than less.

*Consideration of the prejudice point*

[388] One of the unusual features of the principal action is that it has been brought before the Development has been built and therefore before (and perhaps several years before) the defender would be in a position to supply any goods and/or services. In considering the pursuer's statutory claims, I have already noted the difficulties this poses for the pursuer, for example, for the purposes of undertaking the comparison inherent in condition 5 (for a claim under section 10(2), as well as the like comparison required by condition 6 for a claim under section 10(3) of the Act), in ascertaining the objective conditions under which the likelihood of confusion is assessed, and whether there can be any representation for the purposes of passing off.

[389] In light of my determination of the pursuer's claims, the prejudice issue does not arise. However, given the importance of this issue, the skill with which it was argued and the prospect that this case may go further, it is right that I provide my decision on this matter. The prejudice argument is predicated on two factors: (i) the uncertainty arising from the fact that the Development is unbuilt and no goods or services are at present being offered, and (ii) the uncertainty created by the sist of the Application before the UKIPO with the result that it is at present unknown whether the defender may itself acquire the

intellectual property rights it seeks. The pursuer's submission was directed to demonstrating it had a reasonable apprehension, coupled with the legal submission that use of a word sign (none of the three cases it cites involved a figurative sign) may justify legal restraint, even if it is not used directly in relation to goods and services, so long as the relevant link can be established. With respect, this does not fully engage with the nature of the prejudice the defender has identified.

[390] Had I otherwise found in favour on the merits of the pursuer's claims, I would nonetheless have acceded to the defender's prejudice argument. The defender advanced the prejudice argument as a consideration informing the court's assessment of whether there is a likelihood or reasonable apprehension of infringement, because it would ignore the defender's Application. I accept that submission. However, the prejudice point may be better accommodated at the stage when the court considers the grant or refusal of the remedy of interdict in the exercise of its discretion, rather than as a basis to exclude evidence.

[391] On that approach, the starting point is that the pursuer is of course entitled to vindicate its rights. Intellectual property rights, in the form of trade marks, are no different from any other right protected by the court (see the discussion of the Lord President, Lord Rodger (as he then was) in *William Grant & Sons Ltd v Glen Catrine Ltd* 2001 SC 901 ("*William Grant & Sons Ltd*") (at paragraph 62), a case cited to me for a different proposition, of whether the different character of the right at issue might lead to a "freer approach" on the part of the court). I gratefully adopt Lord Rodger's careful exposition in *William Grant & Sons Ltd* of the cases of *Ben Nevis Distillery (Fort William) Ltd v North British Aluminium Co Ltd* 1948 SC 592 and *Grahame v Swan (Magistrates of Kirkcaldy)* (1882) 9 R (HL) 91, which confirm the existence of a discretion of the court to withhold the remedy a party seeks. I also attach

no significance to the fact that the discretion to refuse has been rarely exercised or that its grant is “exceptional”. The fact that the discretion is rarely exercised does not mean exceptional circumstances are required; it means no more than there must be sufficient reasons to do so. In my view, this is a case in which that discretion, even if rarely exercised, should be exercised to refuse the remedy of permanent interdict the pursuer seeks. The considerations that have informed the exercise of that discretion and to withhold permanent interdict in this case, are as follows.

[392] First, I have found that as yet there has been no infringement in this case. The pursuer’s case would therefore have only succeeded because it demonstrated a reasonable apprehension of future trade mark infringement or passing off. For aught yet seen, there may never be an infringement. Secondly, and in my view critically, the defender’s Application is outstanding and, if granted, it would have afforded the defender a complete defence to the pursuer’s three grounds. In other words, the defender’s activities would be permissible, because protected by and pursuant to its own intellectual property rights. In those circumstances, the grant of permanent interdict in favour of the pursuer would have produced a legal repugnancy. To test this further, if the UKIPO granted the defender’s Application a month after permanent interdict had been pronounced, the defender would be placed in an impossible position: conventionally, an interdict granted at the end of a case is final and perpetual, and cannot be recalled (*Lord Lovat v Macdonell* (1868) 6M 330). Even if some procedural means could be found to overcome that, there is a risk that some of the issues litigated in these proceedings would be re-argued, and resolution of the parties’ dispute in accordance with their legal rights delayed. Thirdly, it is appropriate that the UKIPO, the specialist body vested with exclusive jurisdiction to determine the defender’s Application, should be free to bring its expertise to bear and to be untrammelled by an order

of this court (which *might* be seen as restricting its fullest consideration of the merits of the defender's Application). This course of action would also neutralise any procedural unfairness – as suggested by the defender – flowing from the fact that the determination of its Application has been sisted pending these proceedings. Finally, the refusal of interdict in these proceedings would not preclude a further action by the pursuer, if the Application is refused and if in future the defender engages in infringing conduct in the provision of goods and services from the Development (once it is built and open). In balancing the equities, I also bear in mind that any prejudice to the pursuer from refusal of permanent interdict at this stage is slight, at best, given its case was predicated on a reasonable apprehension of *future* infringement. It is not at present being exposed to any actual or continuing infringement. Finally, the interests of certainty, of enabling the UKIPO now to proceed with its determination of the Application, outweigh any detriment to the pursuer. Should there be any proceedings in future between the parties, they (and the court) will be able to proceed in full knowledge of their intellectual property rights and which, at present, is a matter of speculation in respect of the defender's. For these reasons, and in the exercise of my discretion, I would have found that it was not in the interests of justice (to use the phrase from the English cases) to grant the pursuer's permanent interdicts had I otherwise found in its favour. Putting it in more familiar terms, I would have exercised my discretion to refuse the pursuer the remedy of a permanent interdict.

[393] There is one final matter I must address before turning to the remedies sought in the counterclaim.



*The scope of the pursuer's interdicts directed against the defender's Other Classes*

[394] In the event the pursuer had succeeded and I had been prepared to grant the interdicts it sought, their scope would have been modified, to accommodate two points made by the defender.

- 1) The first point is that until the registration of the 2018 Marks, the only class covered by the pursuer's Original Mark was class 33 for Scotch whisky. The defender does not propose to use the "Tomatin Trading Company" sign on Scotch whisky and it submits that, given that there is no similarity between the respective goods as required in section 10(2) of the Act (see condition 5), this is fatal to the pursuer's case of trade mark infringement of the Original Word Mark. The pursuer did not engage with this submission, which I accept as well-founded; and
- 2) I have distinguished between the Additional Classes and the defender's Other Classes in order to recognise that, in respect of the latter, there is no overlap between the classes covered by the pursuer's Marks and the defender's Application. The overlap is only in respect of the Additional Classes. In light of this, the defender contends that, while there is some similarity between the goods or services for which the 2018 Marks are registered, many of the defender's proposed activities are not similar to the goods and services for which the 2018 Marks are registered, for example, class 43 (for hotels, holiday and tourist accommodation and hospitality services (accommodation), and which is not covered by the description of the pursuer's activities under this class: see para [6], above); and classes 16, 21, 25, 29, 30, 32 and 45. It contends that there is no similarity between these respective goods or services, as required in section 10(2) of the Act. The defender's contention is that, again, this is fatal to the pursuer's case of trade mark infringement of the 2018 Marks

under that provision in relation to the goods and services falling within the Other Classes. I also accept this submission as well-founded.

It follows that, if any interdict had been granted for infringement of the statutory grounds, it would have been necessary to ensure that it was restricted so as not to preclude the defender's activities under these classes or its Application in respect of the Other Classes.

### *Consideration of the remedies in the Counterclaim*

[395] A similar issue of the scope of the court's order arises, in respect of the invalidation of the pursuer's 2018 Marks. In final submissions, the pursuer objected to the defender's "blanket" approach to invalidity, namely that it sought invalidation of the 2018 Marks and *all* the specified uses (see para [6], above). This ignored the question of whether the pursuer had established any distinctiveness for one or more of these uses and which, therefore, should not be invalidated. It is appropriate that I first afford parties an opportunity to address the Court on this matter.

## **Decision**

### *The principal action*

[396] The pursuer has failed in all of its claims for infringement, whether founded on the statutory grounds or on passing off. In any event, the defender had established the defence under section 11(2), had it required to rely on it.

### *The Counterclaim*

[397] The defender has succeeded in its claim for invalidation of the 2018 Marks on the grounds of bad faith. It has failed in its case for invalidation of the 2018 Figurative Mark on

the geographical origin ground under section 3(1)(c), but succeeded on this ground in respect of the 2018 Word Mark. It has failed on the public policy ground under section 3(3)(a) to invalidate the 2018 Marks.

*By order*

[398] Given the multiplicity of the issues, parties requested that the court issue its decision in principal and otherwise put the case out by order for discussion of the terms of the interlocutor. I shall do so. I reserve all question of expenses meantime. It remains for me to thank counsel for their skilful presentation of what was a case of some complexity.