

THE HIGH COURT

COMMERCIAL

[2015 No. 3905P]

BETWEEN:

NUTRIMEDICAL B.V.

AND BY ORDER

AYMES INTERNATIONAL LIMITED

PLAINTIFFS

-AND-

NUALTRA LIMITED

DEFENDANT

JUDGMENT of Mr. Justice Twomey delivered on 2nd May, 2017

Introduction

1. The hearing in this case lasted for 10 days and it concerned a claim that the use by Nualtra Limited ("Nualtra") of the mark NUTRIPLEN infringes the rights of the owner of the registered trade mark NUTRIplete. While the key issue in this case is whether there is a likelihood of confusion on the part of the public between the registered trade mark NUTRIplete and the alleged offending sign, NUTRIPLEN, this judgment also considers the effect, if any, on that claim, of the conduct by the second-named plaintiff, which has been described by the High Court in earlier proceedings as 'reprehensible'. This judgment also considers the consequences, if any, of the extraordinary fact that it can cost more to defend a claim than the claim is worth, since evidence was provided to this Court that it cost the defendant €1.3 million to defend a claim against it for damages of €260,000.

Background

2. The proceedings were instituted against Nualtra on the 20th May, 2015, by the first named plaintiff, Nutraceutical B.V. ("Nutraceutical"), which was the owner at that time of the NUTRIPLEN trade mark. However, the case is now being pursued primarily by the second named plaintiff, Aymes International Limited ("Aymes"). This is because on the 17th June, 2015, Nutraceutical assigned the NUTRIplete trade mark to Aymes.

3. The core issue in this case is whether there has been a breach by Nualtra of Article 9 of Regulation 2015/2424 (the "European Trade Mark Regulation") which amends Regulation 207/2009. The 2015 Regulation was passed into law on the 16th December, 2015, after the proceedings were issued in this case, but none of the amendments to the 2009 Regulation are significant to the circumstances of this case and so reference is made in this judgment to Article 9 of the European Trade Mark Regulation, as amended.

4. The alleged breach by Nualtra of Article 9 of the European Trade Mark Regulation is founded on the claim that there exists a likelihood of confusion on the part of the public between Nualtra's NUTRIPLEN mark and the NUTRIplete trade mark, such that the rights of Aymes as the owner of the NUTRIplete trade mark are being infringed by Nualtra. For this reason, this Court is being asked to grant an injunction to the plaintiffs prohibiting Nualtra from using the mark NUTRIPLEN.

5. Nutraceutical, an entity incorporated in the Netherlands, is a manufacturer of medical nutritional supplement products. NUTRIplete was registered by Nutraceutical as a Community Trade Mark (now known as an EU Trade Mark) on the 5th December, 2012. The mark was registered in respect of Category 5 and Category 32 of the Nice Classification System. Category 5 covers:-

"diatetic preparations adapted for medical use; Nutritional supplements for medical use; The aforesaid goods as tube feeding and liquid food; The aforesaid for medical supervision".

Category 32 covers:-

"mineral and soda water and other non-alcoholic beverages, fruit drinks and juices, syrups and other preparations for making beverages".

6. The defendant, Nualtra, began supplying and distributing oral nutritional supplements bearing the signs 'NUTRIPLEN', 'NUTRIPLEN PROTEIN' and 'NUTRIPLEN SMOOTHIE' in November 2012. These products, being oral nutrition supplements ("ONS"), can only be purchased under medical supervision, which means that they must either be purchased using a prescription, or if they are purchased without a prescription, they can only be purchased as an over the counter product (an 'over the counter' product) from a pharmacy, which means that they must be requested from a pharmacist who stocks the products behind the dispensing counter.

7. As outlined in detail below, after Nutraceutical had registered NUTRIplete as an EU Trade Mark on the 5th December, 2012, Nualtra unsuccessfully applied to register NUTRIPLEN as an EU Trade Mark.

OHIM decision that NUTRIPLEN too similar to NUTRIplete

8. On the 21st February, 2013, Nualtra applied to the Office for Harmonization of the Internal Market ("OHIM"), now known as the European Intellectual Property Office ("EUIPO") to register three Community Trade Marks in respect of 'NUTRIPLEN', 'NUTRIPLEN PROTEIN' and 'NUTRIPLEN SMOOTHIE' under the same category as NUTRIplete, i.e. Categories 5 and 32. Nutraceutical, as the owner of the NUTRIplete trade mark, opposed these three applications. The three applications by Nualtra were rejected by OHIM as it found that Nutraceutical's opposition was well founded, since it held that there was a likelihood of confusion on the part of the public in relation to NUTRIPLEN on the one hand and NUTRIplete on the other hand.

9. On the 10th October, 2014, Nualtra lodged notices of appeal to the Boards of Appeal of OHIM in respect of each of its three

applications, which had been rejected by OHIM. On the 24th April, 2015, the Board of Appeal dealt with Nualtra's appeal in relation to NUTRIPLEN, which it rejected as it was filed out of time.

Appeal of OHIM decision-NUTRIPLEN PROTEIN & NUTRIPLEN SMOOTHIE

10. On the 14th July, 2015 and the 17th July, 2015, the Board of Appeal dealt with Nualtra's appeal in relation to NUTRIPLEN PROTEIN and NUTRIPLEN SMOOTHIE. The grounds relied upon in the appeals in relation to both NUTRIPLEN PROTEIN and NUTRIPLEN SMOOTHIE were the same. Nualtra's arguments were summarised by the Board of Appeal at para 5 of its decision dated 17th July, 2005 (Case R 2467/2014-2) in relation to NUTRIPLEN PROTEIN as follows:-

"The goods are only marketed to healthcare professionals. They are only sold in regulated pharmacies; There is no likelihood of confusion between the marks, given that highly trained professionals would not confuse the marks, because they are dissimilar when the generic term 'nutri' is taken into account."

11. The appeals in relation to both marks were rejected by the Board of Appeal, which upheld OHIM's decision that the NUTRIPLEN marks were confusingly similar with NUTRILETE. No appeal was taken by Nualtra to the decisions of the Board of Appeal.

Undertaking sought from Nualtra not to use NUTRIPLEN

12. After these appeals were rejected, solicitors for Nutrimedical wrote on the 20th May, 2015, to the solicitors for Nualtra seeking an undertaking that it would withdraw products, bearing the mark NUTRIPLEN and falling within Category 5 and 32, from the market and undertake not to sell any such products under the NUTRIPLEN mark in the EU. No such undertaking was forthcoming. It is relevant to note the plaintiff had not launched any ONS products under the NUTRILETE range when it sought the undertaking from Nualtra or when it commenced these proceedings. Evidence was provided to the Court by Mr. Erault (the Chairman of Aymes) that this was because Aymes did not wish to launch ONS products in the absence of an undertaking from Nualtra that it would not sell ONS products under the name NUTRIPLEN.

13. While Nualtra did not give the undertaking, it is the case that in September of 2015, Nualtra commenced the process of re-branding the products it was selling under the NUTRIPLEN brand. In part, this appears to have been because the plaintiff had disrupted Nualtra's business by threatening to sue its bottler/manufacture for infringement of trade marks, which had led to that company ceasing to supply Nualtra. By April of 2016, Nualtra had completed its re-branding of its oral nutritional supplements under the name Altraplen in the UK and in May of 2016, it completed the re-branding exercise in Ireland. Even though it had re-branded, Nualtra did not give an undertaking to Nutrimedical, not to use the name NUTRIPLEN, and as of the date of the hearing before this Court, it had failed to give any such undertaking. Indeed, the Chairman of Nualtra, Mr. Dan Byrne, in his evidence to this Court stated that he was convinced that Nualtra was correct not to give any undertaking to Aymes not to use NUTRIPLE. This was his position even with the benefit of the knowledge that Nualtra had been subjected to these proceedings by Nutrimedical in the absence of such an undertaking from Nualtra and even though Mr. Gough, the CEO of Nualtra, had given evidence that Nualtra, having re-branded from NUTRIPLEN to Altraplen, had no intention of using the Nutriplen mark in the future. The refusal by Nualtra to give the undertaking not to use NUTRIPLEN, even though it had re-branded to Altraplen appears to be based on the belief that NUTRIPLEN and NUTRILETE are not confusingly similar marks since Mr. Gough stated in his evidence to the Court:-

"I'm 100% convinced that we're not infringing the NUTRILETE trade mark. I believe the appeals we submitted may not have been satisfactory and that OHIM may not have made their decision based on the full detail that ultimately the judge here today will hear".

In the context of the failure by Nualtra to give the undertakings first requested on the 20th May, 2015, it is relevant to note that evidence was produced to the Court of the use of the NUTRIPLEN mark by Nualtra on its website on the 21st September, 2016, since there were a number of references on Nualtra's website to NUTRIPLEN. In particular, there was a reference to ordering NUTRIPLEN products, even though ONS products being sold by Nualtra at this time was being sold, since May of 2016, under the Altraplen brand as a result of the re-branding that had occurred at that time.

14. Evidence was provided to the court that the British National Formulary is the journal of record for pharmacists and clinicians in the area of clinical nutrition and that it operates a website www.nutridrinks.co.uk, and that during the hearing of this action before this Court (in January of 2017), it was still possible to find references on that website to ONS products being marketed under the NUTRIPLEN mark, since there was a reference to '*Nutriplen protein Strawberry (4 x 200ml) know as Altraplen*'.

15. It is also relevant to note that Mr. Erault gave evidence to the effect that Aymes regarded the name NUTRILETE as being valuable, as it linked 'nutrition' and 'complete'. As such, the name had in his view an implied promise of a nutritionally complete meal, which was a common query raised by dieticians in his dealings with them. It seems clear from the evidence before this Court that this was one of the reasons why Aymes (and before it Nutrimedical) valued the name NUTRILETE and so was one of the reasons why an undertaking from Nualtra was sought, even though the plaintiffs had not any products for sale under the NUTRIPLET trade mark. For his part, Mr. Gough accepted in his cross examination that the word 'complete' had a resonance in the clinical nutritional market, namely that if a meal or nutritional supplement was 'complete', a patient would be able to survive on that product without having to use any other products.

Reprehensible behaviour by Aymes

16. At this juncture, it is necessary to refer to certain actions of Aymes which have been described by McGovern J. in an earlier hearing in relation to these proceedings, as 'reprehensible' (see paragraph 4 of McGovern J.'s judgment in *Nutrimedical B.V and Aymes International Limited v. Nualtra Limited* [2016] IEHC 397). In July 2015 Aymes sent an anonymous letter (the 'poison pen letter') to 848 GPs in the United Kingdom about Nutriplen products and about Nualtra, in which it made false and defamatory allegations about Nualtra e.g. that Nualtra did not have insurance, that it was not registered for data protection in the UK, that it only had an international telephone number on its products etc. In addition, Aymes also sent an email on the 16th November, 2014, which purported to, but did not, emanate from the NHS (the 'fake NHS email'), to NHS employees containing similar false and defamatory claims about Nualtra. In that email it described these claims, which were all false, as '*several disturbing and worrying facts surrounding the use of a product made by the company Nualtra which it was highlighting 'before patient safety was at risk*'. Aymes denied any involvement in the poison pen letter and the fake NHS email, not only to Nualtra, but also to its own solicitors in Ireland and in the UK and continued to deny that it had any involvement in the poison pen letter or the fake NHS email. Finally, after it became pointless in denying the allegations, in light of the evidence which had been obtained by Nualtra, including as a result of Nualtra obtaining a *Norwich Pharmacal Order* in the United Kingdom, Aymes finally did admit that it was behind both of these documents. Mr. Byrne, the Chairman of Nualtra, who is a very experienced business man, having been, *inter alia*, a worldwide vice-president of Apple, gave evidence that he had never experienced anything so fraudulent and illegal in all his years in business and

that, were it not for the generosity of its shareholders, Nualtra, as a start-up company, would have gone out of business.

17. These actions were then the basis for a counterclaim by Nualtra for defamation and unlawful interference with its business and in which it sought damages, including aggravated damages, from the plaintiffs. This counterclaim was compromised by way of a lodgement made by the plaintiffs and accepted by Nualtra. As a result, Nualtra has received a settlement sum of €101,000 in respect of its claim for damages for the defamation, as well as the payment of its legal costs. It is important therefore to note that while Aymes, the main plaintiff in this action, has engaged in the most reprehensible conduct and sought to damage Nualtra by its actions, the claims in relation to this misconduct have been compromised.

18. While it is difficult to have any sympathy for a plaintiff such as Aymes, which has engaged in such reprehensible conduct, it is however crucial to realise that, as a result of the settlement of the defamation claim and the claim of unlawful interference with business, this Court's job is limited to dealing with the only remaining legal issue between the parties, namely whether, in the words of Article 9 of the European Trade Mark Regulation, there exists a likelihood of confusion on the part of the public between the signs NUTRIPLEN and NUTRILETE. Indeed this point appears to be accepted by Nualtra itself, since it states in its own legal submissions that between the parties there is only the '*extremely limited*' issue as to whether there is a likelihood of confusion between the two signs.

The Law

19. Certain of the rights of the owner of a EU Trade Mark, such as NUTRILETE, are set out in Article 9 of the European Trade Mark Regulation which states, insofar as relevant, that:-

"1. The registration of an EU trade mark shall confer on the proprietor exclusive rights therein.

2. Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the EU trade mark, the proprietor of the EU trade mark shall be entitled to prevent all third parties not having his consent from using in the course of trade, in relation to goods or services, any signs where:

[...]

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

20. It is clear that Aymes is now the owner of the EU trade mark NUTRILETE and so can rely on the rights granted to it under Article 9 to prevent a third party from using any signs which are confusingly similar to NUTRILETE. In this context, it is also relevant to refer to Article 102(1), since Aymes is seeking an injunction against Nualtra preventing it from using the mark NUTRIPLEN in reliance on this Article:-

"Where a Community trade mark court finds that the defendant has infringed or threatened to infringe a Community trade mark, it shall unless there are special reasons for not doing so, issue an order prohibiting the defendant from proceeding with the acts which infringed or would infringe the Community trade mark. It shall also take such measures in accordance with its national law as are aimed at ensuring that this prohibition is complied with."

21. In *Aldi Stores v. Dunnes Stores* [2015] IEHC 551, Cregan J. noted at paragraph 9 of his judgment in relation to Article 102(1):-

"It is clear therefore, having regard to the provisions of Article 102 (1) of the CTM, that where a Community Trade Mark Court finds that a defendant has infringed a Community trade mark it shall issue an order preventing the defendant from proceeding with the acts which infringed or would infringe the Community trade mark. There is therefore, under the Community trade mark regulation, an obligation on Community Trade Mark Courts to issue an injunction preventing further infringements of Community trade marks in the future, where a defendant has infringed a Community trade mark in the past.

Thus, the fact that the defendant's conduct has now ceased, does not appear to be a defence to an application for an injunction under the Community trade mark regulation (absent special reasons)."

On this basis, the plaintiffs seek an injunction from this Court preventing Nualtra from infringing the Nutriplete trade mark.

22. It is common case that the key issue for determination by this Court therefore is whether there is a likelihood of confusion between the EU registered Trade Mark, NUTRILETE, on the one hand and the NUTRIPLEN mark on the other hand. In reliance on the decision of Finlay Geoghegan J. in *Cofresco v. Controller of Patents* [2007] 2 ILRM 430, this Court summarises hereunder the legal principles that are applicable to an allegation of infringement of the rights of the owner of an EU trade mark by another mark:-

(i) In determining the likelihood of confusion, account must be taken of all the circumstances of the case, including the degree of similarity between the two marks and between the goods or services, the likelihood that the public would make an association between the registered trade mark and the alleged infringing mark, and the distinctiveness of the registered trade mark.

(ii) In assessing the degree of similarity between two marks, the Court must determine the degree of visual, aural and conceptual similarity between them and, where appropriate, evaluate the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed. For this purpose the average consumer is deemed to be reasonably well-informed, reasonably observant and circumspect.

(iii) The visual, aural, and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components. Each mark must be viewed as a whole and should not be dissected for the purposes of comparison. This is because the average consumer normally perceives marks as a whole and does not proceed to analyse its various details.

(iv) The higher the degree of distinctiveness of the registered trade mark the greater the protection granted to it and vice versa. Distinctiveness may be inherent or enhanced by a reputation which the mark enjoys on the market.

Application of Article 9 of the Trade Mark Regulation to this case

23. The foregoing principles will next be applied to the circumstances of this case to determine whether Aymes, as the owner of NUTRILETE, an EU trade mark, has the right under Article 9 of the European Trade Mark Regulation to prevent by injunction Nualtra from using the mark NUTRILEN.

The 'category of good or services'

24. As noted by Finlay Geoghegan J., in assessing the degree of similarity between the marks in question, account must be taken of the category of goods or services in which the marks are being used. In this case, the products which were being sold by Nualtra under the NUTRILEN mark (and which Nualtra has failed to undertake will not be sold under that mark in the future) are oral nutritional supplements. Although these products are not prescription only products, they are only available to consumers under medical supervision, in the sense that they are over the counter products. This means that they are retained behind the dispensing counter in a pharmacy and are not on display in the aisles of the pharmacy. This fact is relevant when one considers hereunder the nature of the public which it is alleged might be confused by the similarity between the marks.

Are NUTRILEN goods similar to goods for which NUTRILETE is registered?

25. For Aymes to be successful in this action, the express terms of Article 9(2)(b) requires that the goods which bore the NUTRILEN mark be identical or similar to the goods for which NUTRILETE is registered, since to quote that Article:-

"...the sign is identical with, or similar to, the EU trade mark and is used in relation to goods or services which are identical with, or similar to, the goods or services for which the EU trade mark is registered..."

26. The NUTRILETE brand is registered in respect of Class 5 (and Class 32), which includes nutritional supplements for medical use. The NUTRILEN products were in fact oral nutritional supplements which were sold under medical supervision. It is also relevant that Nualtra sought to register NUTRILEN as an EU trade mark in respect of Class 5 (and Class 32) goods. For the purposes of Article 9 of the European Trade Mark Regulation therefore, there is little doubt that the NUTRILEN goods are similar to the goods for which NUTRILETE is registered

Status of infringement action if no goods sold under the NUTRILETE mark

27. In this case, although both Aymes and Nutraceutical were the owners of the NUTRILETE trade mark at various times, neither Aymes nor Nutraceutical sold any products under the NUTRILETE brand. As previously noted, evidence was produced on behalf of Aymes that this was because Aymes did not want to invest in a product launch while NUTRILEN was on the market and particularly where Nualtra was not prepared to give an undertaking not to use the NUTRILEN brand in the future.

28. Thus, although the NUTRILETE brand was registered under the category of goods which includes oral nutritional supplements (Category 5), no such goods have to date been sold under that EU registered trade mark. However, as is clear from the decision of OHIM regarding the marks NUTRILEN and NUTRILETE, this is not fatal to a claim of trade mark infringement. At page 73 of its decision of 20th August, 2014, in relation to the opposition of the owner of NUTRILETE to the application by Nualtra for the registration of NUTRILEN as an EU trade mark, it made the following statement in relation to the '*likelihood of confusion on the part of the public*':-

"A likelihood of confusion exists if there is a risk that the public might believe that the goods or services in question, **under the assumption that they bear the marks in question** [emphasis added], come from the same undertaking or, as the case may be, from economically linked undertakings."

29. While this statement was made about the likelihood of confusion in the context of the registration of a trade mark under Article 8(1)(b), the same concept ('likelihood of confusion') applies in Article 9(1)(b) in relation to the rights of the owner of the registered trade mark to prevent the owner of a mark, which is confusingly similar with the EU trade mark, from being used in the course of trade. The use of this assumption, that the goods are available under the marks in question (whether in a trade mark application situation or a trade mark infringement situation), is premised on the principle that a trade mark can be infringed, even if the owner of the trade mark has not yet traded under that trade mark.

30. While the foregoing statement was made by OHIM, which is not a court and is therefore not binding on this Court, it reflects a principle which has been accepted by the courts. This is clear from the decision of the English High Court in *Origins Natural Resources v. Origin* [1995] FSR 280 in relation to the infringement rights of a trade mark owner under s. 10 of the Trade Marks Act 1994 in the UK. This Act, like its Irish equivalent, the Trade Marks Act, 1996, fulfilled the UK's obligations under EU trade mark law in relation to, *inter alia*, Community Trade Marks. The wording of s. 10(2) of the UK legislation (as set out below) is almost identical to the wording of Article 9(2)(b) of the European Trade Mark Regulation (which as previously noted is the relevant legislation in this case), and at page 284 of his judgment, Jacob J. stated that:-

"The defendants say that they have a number of defences. It is convenient to run through those in turn. First, they say that I should look at the question of infringement, because the main question before me is one for the future, under the provisions of section 10 (2) of the new Act. This provides:

'A person infringes a registered trade mark if he uses in the course of trade a sign where, because the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those in 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'

It is said that the two marks are different in that the plaintiff's mark is in the plural whereas the defendant uses the word "Origin" alone, and that the proposed trading circumstances of the plaintiffs are such that there is no likelihood of confusion. It is queried whether the plaintiffs ever will use their mark. If they do not the defendant asks 'how can there ever be a likelihood of confusion on the part of the public?' In my judgement this point is misconceived. Section 10 of the Trade Marks Act 1994 presupposes that the plaintiff's mark is in use or will come into use. It requires the court to assume the mark of the plaintiff is used in a normal and fair manner in relation to the goods for which it is registered and then to assess the likelihood of confusion and deception in relation to the way in which the defendant uses the mark, discounting external added matter or circumstances. The comparison is mark for mark."

31. On this basis, in determining whether the rights of Aymes as the owner of the NUTRILETE trade mark have been breached, this Court is required to assume that NUTRILETE is used in a normal and fair manner in relation to the goods for which it is registered, which in this case, includes nutritional supplements for medical use and so nothing turns on the fact that the Aymes has not to date sold any ONS products under the NUTRILETE trade mark.

32. To put the matter another way, the goods of the defendant which were sold under the NUTRILEN mark and the goods of the plaintiffs which might be sold under the NUTRILETE trade mark are to be treated as identical since the NUTRILETE trade mark is registered in the class of goods which includes ONS and it is irrelevant to the issue before this Court that the owner of that trade mark has not sold any products under that trade mark. What is relevant is that Nualtra sold ONS products under an allegedly confusingly similar mark and that company is not willing to give an undertaking to not do so again in the future.

Meaning of 'on the part of the public'

33. The products which were sold under the NUTRILEN mark were ONS products, which are required to be sold under medical supervision in the European Union. These products are designed for people who are malnourished and have specific nutritional needs, e.g. to aid recovery from serious illnesses or wounds. In Ireland, this means that the products are prescribed or are sold over the counter without prescription but by a pharmacist. Evidence was produced on behalf of Nualtra to the Court that:

- The vast majority of the sales of ONS products are by prescription, with the greater part of these coming from a hospital and nursing home setting. In this setting, evidence was produced to the effect that ONS products were supplied to the hospital and nursing home, often as a result of tenders, and therefore there was often no choice between the different brands of ONS products available, since it was common to have just one supplier.
- A smaller percentage of these prescription sales came from GPs. Evidence was produced to the Court that in the United Kingdom and Ireland drop down menus in computer based prescription systems are becoming common as the means in which GPs choose the desired prescription medicine. This involves putting in the first few letters of a product into the menu on a computer screen, which then leads to all the products with those letters being listed in alphabetical order. If the letters 'nutri' are entered, evidence was produced to the Court that it was likely to lead to 40 or more products being listed as the 'search results', although Nutriplen and Nutriplete are likely to end up being listed one after the other because they are alphabetically so close.
- A small percentage of sales were made without a prescription by pharmacists in pharmacy retail outlets to end users of the products.

34. With this in mind, this Court must consider the meaning of the term 'public' in its analysis of whether that public is likely to be confused. The case of *Alcon v. OHIM* [2007] ECR I-03569 is relevant in this context. That case concerned a decision by the Court of Justice on the question of whether the mark TRAVATAN could be registered as an EU trade mark for ophthalmic pharmaceutical products in light of the earlier registration of TRIVISTAN for pharmaceutical, veterinary and hygiene products. Unlike the present case, the products in the *Alcon* case were medicinal products which were only available on prescription by a doctor and could not be purchased by a member of the public from a retail pharmacy. On this basis, the Court of First Instance held that the relevant public was composed not only of end-users, but also professionals, that is, doctors who prescribe the medicinal product and pharmacists who sell that prescribed product. Having done so, the Court of First Instance rejected the registration of TRAVATAN on the grounds that it was confusingly similar to TRIVISTAN. The applicant appealed to the Court of Justice. His appeal was dismissed and it is relevant to quote in some detail from that judgment:-

"57. However, contrary to what the applicant claims, the fact that the intermediaries such as healthcare professionals are liable to influence or even to determine the choice made by the end-users is not, in itself, capable of excluding all likelihood of confusion on the part of those consumers as regards the origin of the goods at issue.

58. In so far as it found in paragraph 49 of the judgement under appeal, in its definitive assessment of the facts, that the products at issue are sold in pharmacies to the end-users, the Court of First Instance was fully entitled to infer therefrom that, even though the choice of those products is influenced or determined by intermediaries, such a likelihood of confusion also exists for those consumers since they are likely to be faced with those products, even if that takes place during separate purchasing transactions for each of those individual products, at various times.

59. It is settled caselaw that the perception of the marks in the mind of the average consumer of the category of goods or services in question plays a decisive role in the global assessment of the likelihood of confusion (*Lloyd Schuhfabrik Meyer*, paragraph 25 and Case C-361/04 P *Ruiz-Picasso and Others v OHIM* [2006] ECR I-643, paragraph 38),

60. In addition, the court of justice has already held that the average consumer only rarely has the chance to make a direct comparison between the different signs but must place his trust in the imperfect picture of them that he has kept in his mind (*Lloyd Schuhfabrik Meyer*, paragraph 26, and judgement of 23 September 2004 in case C – 107/03 P *Procter & Gamble v. OHIM*, not published in the ECR, paragraph 24).

61. Furthermore, since it is undisputed that the whole process of marketing the goods at issue is aimed at the end-users' acquisition of them, the Court of First Instance was entitled to hold that the role played by intermediaries, even if they are healthcare professionals whose prior intervention is required in order to sell those goods to end-users, must be in part balanced against the high degree of attentiveness which may be shown by those users, in the light of the fact that the goods at issue are pharmaceutical products, when they are prescribed and, consequently, against those users' ability to make those professionals take into account their perception of the trade marks at issue and, in particular, their requirements or preferences.

62. In this connection, it should be recalled that the court has already ruled that where the goods and services with which the registration application is concerned are intended for all consumers, the relevant public must be deemed to be composed of the average consumer, reasonably well-informed and reasonably observant and circumspect (Joined cases C – 473/01 P and C – 474/01 P *Procter & Gamble v. OHIM* [2004] ECR I-5173, paragraph 33, and Case C-329/02 P *SAT. 1 v OHIM* [2004] ECR I-8317, paragraph 24).

63. It follows that the Court of First Instance did not err in law by including end-users in the relevant public for the purposes of applying Article 8(1)(b) of Regulation No 40/94. "

35. It is clear from this case that where a product is sold on prescription only, it is nonetheless the case that the relevant public for

the purposes of determining whether there is a likelihood of confusion, is made up of, not only healthcare professionals who prescribe the product, but also the end-users. In the case before this Court, the ONS products are not prescription only, but rather over the counter products. This means that even if the ONS products were sold only on prescription, which they are not, the relevant public would still be made up of, not only healthcare professionals but also the end-users, since as is clear from the *Alcon* case, account must be taken of the ability of the end-users of ONS products to ensure that the healthcare professionals take their preferences for certain branded products into account.

36. In the case before this Court, the case is even stronger for the relevant public being made up of end-users, as well as healthcare professionals, because, unlike in the *Alcon* case where the products were only available on prescription, ONS products are available without a prescription. While it is true that only a small percentage of the ONS products sold by Nualtra were sold without prescription, it is nonetheless the case that, by virtue of this fact, the role of the end-user in the relevant public is greater, albeit marginally greater, in the situation before this Court than that in a situation where the products are only available on prescription, as in the *Alcon* case.

37. For these reasons, this Court has little hesitation in relying on the *Alcon* case to reach its conclusion that the relevant public in the present case is made up of end-users of the ONS products as well as healthcare professionals.

Ability of end-users to influence healthcare professionals

38. It is also clear from the *Alcon* case that, even in the case of prescription only medications which are selected for purchase not by the intended user but by a healthcare professional, there could still be a likelihood of confusion on the part of the end-user. This is because, as noted by the ECJ, end-users have the ability to make those healthcare professionals take into account their perception of the trade marks at issue and, in particular, their requirements or preferences. The ECJ held that confusion in the mind of the end-user as between two different products might result in the wrong product being prescribed or dispensed by the healthcare professional notwithstanding that the dispensing pharmacist exercises due care. Accordingly, while it is to be expected that health care professionals will exercise a greater degree of care than end-users, errors may be made by them, albeit at the instigation of the end-user who wants his or her preference or requirements taken into account.

Who decides if likelihood of confusion, experts or the judge?

39. It was urged on this Court on behalf of Nualtra that because the overwhelming majority of purchases of ONS products are by prescription and those purchases which are not by prescription are dispensed by a pharmacist, the Court should not apply its own experience as an ordinary shopper to assess the likelihood of confusion and instead should rely on the evidence produced to the Court on behalf of the defendant by, *inter alia*, a GP, a pharmacist, a dietician, a consultant in nutrition marketing and the founder of a company involved in the bulk purchase of pharmaceuticals for pharmacies. The plaintiffs relied on the statements of Laffoy J. in *Symonds Cider v. Showerings* [1997] 1 ILRM 481 at 493 that:-

"I believe that my experience as an ordinary shopper or consumer enables me, just as well as any other, to assess the likelihood of confusion."

40. They also relied upon the statement of Finlay Geoghegan J. in the *Cofresco* case at page 434 that:-

"As appears, a judge may bring to bear his/her own experience as a potential buyer and common sense in assessing the likelihood of deception. It appears similarly permissible for a judge to bring to bear his own experience in determining the probable purchasing scenario of the goods in question in which the likelihood of deception must be determined. In doing so, regard should also be had, (in the absence of evidence of the country) to some well-established assumptions about general consumer behaviour."

41. The defendant argued that the *Symonds* case involved the purchase of cider and the *Cofresco* case involved the purchase of tupperware and not products which were to be taken under medical supervision and accordingly it was not appropriate for this Court to apply its own judgment as to whether there was a likelihood of confusion between the two marks in this case. Instead, the Court should place reliance on the evidence produced to the Court by the defendant that there was little or no likelihood of confusion between the two marks in this case amongst pharmacists, doctors and dieticians, because their job is to ensure utmost care in dispensing or prescribing products.

42. This Court does not agree with the approach suggested by the defendant for the following reasons. First, a judge is as likely as an ordinary consumer to be consuming medicines or nutritional supplements and this Court does not accept that it cannot substitute itself for an average buyer just because it is a specialist product or because it is not a product which is bought on a supermarket aisle like tupperware or cider. Second, a judge is in fact in a position to take account of the fact that there is a difference between say cider or tupperware containers and oral nutritional supplements and in this case, this would be achieved, *inter alia*, by paying particular attention to the fact that a consumer of ONS products will have a heightened sense of awareness. In this context, reference has already been made to the *Alcon* case which involved prescription only products. In the context of the specialised ONS products at issue in this case, it is also relevant to refer to the case of *Novartis AG v. OHIM* [2010] ECR II-05967 in which the products in question were pharmaceutical products, but not prescription only products. It is clear from this case that when dealing with pharmaceutical products, albeit ones that are not prescription-only, the end user will nonetheless have a similar heightened sense of attentiveness as he or she has for prescription products, since as noted at paragraph 26 of that judgment:-

"According to the case law, medical professionals have a high degree of attentiveness when prescribing medicines. Moreover, with regard to end consumers, it is apparent from the case-law that, in cases where pharmaceutical products are sold without prescription, it must be assumed that those goods will be of concern to consumers, who are deemed to be reasonably well-informed and reasonably observant and circumspect where those goods affect their state of health, and that these consumers are less likely to confuse different versions of such goods. Furthermore, even assuming that a medical prescription is mandatory, consumers are likely to have a high degree of attentiveness upon prescription of the goods at issue, in the light of the fact that those goods are pharmaceutical products (PRAZOL at paragraph 21 above, paragraph 29 and judgment of 8 July 2009 in case T – 240/08 *Proctor & Gamble v OHIM – Laboratorios Alcala Farma* (oli), not published in the ECR, paragraph 50). Thus medicines, whether not issued on prescription, can be regarded as receiving a heightened degree of attentiveness by consumers who are reasonably well-informed and reasonably observant and circumspect (judgment of 15 December 2009 in case T – 412/08 *Trubion Pharmaceuticals v OHIM – Merck* (TRUBION) not published in the ECR, paragraph 28).

Expert evidence of likelihood of confusion

43. A considerable amount of evidence was produced to the Court on behalf of Nualtra by expert witnesses and other witnesses to the effect that there was little or no likelihood of confusion between NUTRIPLEN and NUTRILETE. This included the evidence of Ms. Niamh Rice, a consultant in marketing of nutritional products, that there was no likelihood of confusion between the marks as they were sold into a specialist non-consumer market, the evidence of Dr. Dermot Daly, a G.P., that he did not believe that he had ever made a prescribing error for ONS products and the evidence of Mr. John Carroll, a pharmacist and founder of a company involved in the bulk purchase of pharmaceuticals for pharmacies, that "to suggest that pharmacists would confuse two brands of ONS, or any other product, is ridiculous". As a preliminary point, in any consideration of this expert testimony, it is relevant to refer to the comment of O'Donnell J. in *Karen Millen v. Dunnes Stores* [2014] 1 I.R. 10 at p. 60 that:-

"It is matter of near certainty that the only expert witnesses called by either side would have formed an opinion favourable to that side..."

44. More significantly, it is important to note that the role of the expert witnesses is not to determine the critical issue for this Court, since as noted by Millet LJ in *The European v. The Economist* [1998] FSR 283 at p. 291:-

"In the end the question of confusing similarity was one for the judge. He was bound to make up his own mind and not leave the decision to the opinion of the witnesses."

45. It is for the Court to determine the issue of whether there is a likelihood of confusion between the two marks and in reaching its decision, it is clear from the *Origins* case that the role of the Court is to examine the two marks on the basis of 'mark for mark'. The extract from Jacob J. previously quoted also makes it clear that this means that externally added matter or circumstances, have no relevance to the Court's analysis on a 'mark for mark' basis. In this case this means that the considerable evidence produced by the defendant in relation to material which it claims lessen the likelihood of confusion between NUTRIPLEN and NUTRILETE, which might be of relevance in a passing-off action, has no relevance to a trade mark infringement case, such as this one. This is because, as is clear from the *Origins* case, the Court's task is to compare the two marks and to discount anything that is not part of the two marks. Examples of evidence which fell into this category of added matter which allegedly lessened the likelihood of confusion, but is in fact irrelevant to a 'mark to mark' assessment by this Court, was the evidence of the dietician (Ms. Clodhna McDonough) that the packaging, colour and design of visual logos on Nualtra's bottles were different from a 'mock-up' of what the plaintiffs' products were likely to look like; the evidence of Mr. John Carroll that the bottles of the NUTRIPLEN and the mock up of NUTRILETE did not look alike, and the evidence of Ms. Niamh Rice that the taste of the product and the absence of brand equity or market presence for NUTRILETE in Ireland lessened the likelihood of confusion.

Visual, aural and conceptual similarity of NUTRIPLEN and NUTRILETE marks

As is clear from the decision of Finlay Geoghegan J. in *Cofresco*, the primary task for this Court is to consider whether there is a risk that the public, which is made up of end-users, as well as healthcare professionals, would believe that NUTRIPLEN products are from the undertaking that owns the NUTRILETE trade mark in light of the alleged visual, aural and conceptual similarity of the marks, based on the overall impression which the marks create. Taking each of these in turn:-

a) Visual similarity

The only difference between the two signs NUTRIPLEN and NUTRILETE is at the end of the signs, namely an 'N' ending versus a 'TE' ending. Save for this difference, the two signs are visually identical, since one is a nine letter word and the other is a ten letter word, but significantly they share the first eight letters 'NUTRIPLE'. In this regard, it is relevant to note the judgment of Smyth J. in *Unilever plc v. Controller of Patents* [2007] ILRM 389 at 397 that:-

"Whether two words are used or a compound word is used, if the emphasis is clearly on the first word or prefix in the compound then it seems to me that that is the predominant sound and visual impact of the mark".

In that case, the High Court held that there was a risk of confusion between the registered trade mark 'Sun' and the mark 'SunSmile', because, *inter alia*, the first three letters (out of eight) in the offending mark were identical to the registered trade mark 'Sun' which was part of a family of trade marks, which included Sunlight, Sun System, Sun Tablets, Sun Detergents, Sun Salt and Sun Rise Aid.

In the case before this Court, it is relevant to note that;

- eight letters (out of nine) in the alleged offending mark (NUTRIPLE/N are the same, and in the same order, as the eight letters (out of ten) in the registered trade mark (NUTRIPLE/TE);
- these are the first eight letters, which as noted by Smyth J. in the *Unilever* case, is more significant than later letters;
- the shared root is 'NUTRIPLE' and the alleged offending mark, NUTRIPLEN has only one additional letter more than the shared root (i.e. N) and the registered trade mark, NUTRILETE, has only two additional letters more than the shared root (i.e. TE).

On this basis, it seems clear to this Court that under the visual similarity heading, the two signs are very similar.

b) Aural similarity

As with visual similarity, it is relevant to note that the two marks contain the same root (NUTRIPLE) and in the case of NUTRIPLEN, it only has one letter (N) after the shared root and, in the case of NUTRILETE it has only two additional letters (TE) after this root. If one analyses the two marks as syllables, they would be divided as follows NU/TRI/PLEN versus NU/TRI/PLETE and one can observe that the first two syllables are identical. As regards the third syllable in these two three syllable marks, it can be observed that this would have to be different, since otherwise the marks would in fact be identical. While the third syllables are therefore, of necessity different, they are nonetheless similar in pronunciation in the English language; PLEN versus PLETE. Indeed, since this aural difference is at the end of the two marks, it is of less significance in distinguishing the marks and avoiding confusion, than if it was at the start or middle of the marks. This is clear from the statement of Smyth J. above in the *Unilever* case regarding compound words, which statement, by its express terms, is applicable not only to the visual impact of the marks, but also to the aural impact of the marks, since consumers of products tend to pronounce more significantly the first few syllables.

It is also relevant that the NUTRIplete mark is registered as an EU trade mark, and so in hearing this application for relief based on an alleged infringement of an EU trade mark, this Court is exercising its jurisdiction as the EU trade mark Court of First Instance. In this respect, evidence was provided to the Court that the two marks are in fact aurally identical in the French language, which is used in three European countries (France, Belgium and Luxembourg), as the last syllable/letters of a word in French are generally not pronounced.

For the foregoing reasons, this Court concludes that the two marks are aurally very similar and indeed in at least one EU language, the marks are aurally identical.

c) Conceptual similarity

The issue of conceptual similarity raises the question of whether the words that constitute the two competing signs would be regarded as having similar meanings. Neither NUTRIplen nor NUTRIplete has any meaning in English, nor was any evidence adduced to the Court regarding a meaning in any other European language. Both marks share the prefix 'nutri', which is associated with the word nutrition and in English, at least, there is likely, in this Court's view, to be some connection between both two marks and the concept of nutrition. Accordingly, as regards conceptual similarity between the two marks, while there is some similarity between the apparent meaning of the two words which make up the two marks, in the sense that they are both associated with nutrition, it is a limited similarity, since the two words themselves have no particular meaning.

On this basis, this Court concludes that there is some, but limited, conceptual similarity between the two marks.

Is there a likelihood of confusion between the marks?

46. Having considered the two marks under the three headings of visual, aural and conceptual similarity, this Court concludes that the two marks are very similar visually, very similar aurally and that there is a limited conceptual similarity between them. It has already been noted that the marks cover identical goods in the form of ONS products, albeit that the plaintiffs have not marketed any goods under the name NUTRIplete and the defendant has re-branded its ONS products.

47. Since ONS are products which are consumed under medical supervision, consumers are likely to have a high-degree of attentiveness to those products, and as noted in the *Alcon* case, such persons are reasonably well-informed, reasonably observant and circumspect. It is also the case that these products are not on display in the aisles of pharmacies to be chosen by end-users. Nonetheless, because of the very high degree of similarity between the two marks, this Court is of the view that, despite a high degree of attentiveness on the part of consumers, and assuming that ONS products are being sold under the competing marks, there is a likelihood of confusion in the eyes of end-users, such that an end-user might regard ONS products sold under the NUTRIplen mark as coming from the same undertaking that owns the NUTRIplete mark.

Conclusion regarding infringement

48. For the foregoing reasons, this Court concludes that Aymes, as the owner of EU Trade Mark 10876381 (NUTRIplete), is entitled to the injunction sought, pursuant to Article 9 and Article 102 of the European Trade Mark Regulation, preventing Nualtra from using, in the course of trade in dietetic food and substances adapted for medical use, the mark NUTRIplen.

49. It remains to be observed that evidence was provided to the Court by Nualtra's CEO, Mr. Gough, that as Nualtra had gone to the cost and through the regulatory hurdles of re-branding from NUTRIplen to Altraplen for ONS products, there was no chance of Nualtra changing back to the NUTRIplen mark again in the future. In this context, he stated in his cross-examination that *'we had 100% rebranded our product. It was absolutely clear that we were not going to use the Nutriplen product'*. According to Mr. Gough these proceedings have led to almost €1.3 million in fees being incurred by Nualtra in defending the injunction sought by the plaintiffs to prevent Nualtra's use of a mark, even though Nualtra states that it has no intention of using that mark. It is curious that Mr. Gough stated that it had never occurred to him to give the undertaking requested by the plaintiffs not to use Nutriplen, which could have obviated the need for this litigation. This was because, as he put it in his cross-examination, *'it's 100% in my belief, Mr. O'Moore, that we were not infringing this trademark'*.

50. Thus, Nualtra was refusing to give an undertaking and thereby willing to defend its right to use NUTRIplen, at a cost of €1.3 million in legal fees, even though it had no intention of using that mark. The only conclusion which this Court can draw from this evidence is that Nualtra was contesting, at enormous expense, the injunction on a point of principle, rather than for commercial reasons.

51. This decision by Nualtra to defend, at such expense, its right to use a trademark, which it was not going to use, is rendered even more curious when one considers that to be successful in that defence, Nualtra needed the High Court to find that NUTRIplen was not confusingly similar with NUTRIplete, even though there had been decisions by two European Trade Mark bodies (OHIM and the Board of Appeal) that these marks were in fact confusingly similar. Thus, Nualtra spent €1.3 million fighting a case, which could not have been regarded as foregone conclusion (if for no other reason than there had been two negative EU decisions on the issue) and it was doing so on a point of principle.

52. While all of this seems, to this Court, to be a very curious approach by Nualtra, it has had no impact upon this Court's decision on whether the two marks are confusingly similar. In any case, it is Nualtra's prerogative to refuse to give the undertaking and thereby seek to establish that the marks in issue were not confusingly similar, even though, in the words of its CEO, it was not going to be using the Nutriplen mark and in any case, there may well be some other reason, not disclosed to the Court, for Nualtra's approach.

Damages or account of profits

53. The plaintiff gave no evidence of having suffered any actual loss as a result of the actions of Nualtra. What the plaintiffs did provide however was evidence from an expert in intellectual property valuation, a Ms. Mary Jackets, regarding the hypothetical licence fee which a third party might pay for the NUTRIplete trade mark if Nualtra had licensed the NUTRIplete trade mark, rather than infringing that trade mark by its use of the NUTRIplen mark. She estimated a licence fee of approximately €260,000 for the use of the trade mark from November 2012 to April 2016, the period of use of the NUTRIplen mark.

54. At the end of the hearing of this action, pending the judgment of this Court on whether there was an infringement, counsel for the plaintiffs reserved their right to elect for an account of profits from Nualtra arising from its use of the NUTRIplen mark, instead of damages. It was indicated to the Court by counsel for the plaintiffs that this would involve a further hearing on the issue of the account of profits. If there was to be such a hearing, in all likelihood the plaintiffs, having won on the infringement action, would seek to have both the defendant's and the plaintiffs' legal costs for that account of profits hearing, paid by the defendant.

55. In relation to an account of profits, Nualtra provided evidence from Mr. Jim Luby, a partner in McStay Luby, Chartered Accountants to the effect that Nualtra had earned no profit from the sale of NUTRIPLEN products in the relevant period from November 2012 to April 2016. While Mr. Luby was cross-examined, no witnesses were called by the plaintiffs to contradict Mr. Luby's evidence, nor was evidence produced on behalf of the plaintiffs regarding the quantum of profits to which the plaintiffs would be entitled, were they to elect for an account of profits.

56. Since an account of profits is an equitable remedy, this Court has a discretion to refuse to grant an account of profits, should it be sought by the plaintiffs. It is clear from *Aldi Stores v. Dunnes Stores* [2016] IEHC 256 that a refusal by this Court to grant an account of profits would not leave the plaintiffs without a remedy, since they would be entitled to damages. In that case, Cregan J. stated at paragraph 43 that:-

"Thus, as a matter of principle, if a plaintiff elects for an account of profits and the Court decides otherwise, it is not the case that a plaintiff is then left without a remedy for an infringement and is unable to seek an inquiry as to damages. That would be wrong in principle and wrong in law. It would, quite clearly, be unjust to a plaintiff. Thus just because a plaintiff elects for an account of profits does not mean he thereby abandons his claim for an inquiry as to damages. It remains as an alternative remedy. Indeed there is no reported case among all the authorities opened to me in which a court has refused an account of profits and has also refused an inquiry to damages. It is always one or the other."

57. As the plaintiffs sought at the end of the trial to reserve their position as regards electing for an account of profits, this Court will now deal with the possibility that the plaintiffs might elect for an account of profits, since this Court has now determined that there has been an infringement of trade marks.

58. This Court proposes to exercise its discretion to refuse an account of profits, if one were to be sought by the plaintiffs at the conclusion of this judgment, and instead to grant damages of €35,000 to the plaintiffs for the trade mark infringement in this case. The Court's reason for this quantum of damages are set out below. There are a number of reasons for the Court's decision to award damages, rather than an account of profits. First, evidence has been produced to the Court which indicates that no profits were earned by Nualtra in its use of the NUTRIPLEN mark. Secondly, as an account of profits is an equitable remedy, this Court finds the conduct of Aymes in issuing the poison pen letter and the fake NHS email is so far from the 'clean hands' that are required when seeking equitable relief, that this Court believes that it would be appropriate to refuse to grant the plaintiffs this equitable relief, if sought by it. Thirdly, while it is the case that Nualtra has been found by this Court to have breached the trade mark of the plaintiffs, it is this Court's view that it should not have to incur legal costs, other than such costs as are absolutely necessary, in relation to that infringement and so this Court proposes to deal with the damages/account of profits issue, without the incurring of further legal costs for a hearing on the account of profits to be awarded to the plaintiffs. Fourthly, this Court is conscious of the use of scarce public resources in resolving this private dispute between two parties which has already used up 10 days of court resources and has cost, according to the defendant, €1.3 million in one side's legal costs (and therefore probably in excess of €2m for both sides' legal costs) and also nearly put the defendant out of business.

€2 million legal costs for a claim for €260,000 leading to an award of €35,000

59. There does seem to this Court something perverse about the fact that a damages claim by the plaintiff for a maximum of €260,000, which has led to an award of €35,000 in damages, could cost over €2 million in legal fees and almost put the defendant company out of business and which could have led to the loss of jobs. It appears to this Court that this is a classic example of the problem with a lot of litigation in the High Court, because of its considerable costs, where the original dispute between the parties (in this case a trade mark dispute) becomes a secondary issue once the litigation has commenced and the real dispute becomes one about which party will have to pay, not so much the damages, but the millions of euro in legal fees.

60. However, under the current law applicable to legal costs, this is an issue over which this Court has limited say. In this regard, changes have been proposed in our neighbouring jurisdiction of England & Wales, by Lord Justice Jackson in his *Review of Civil Litigation Costs: Final Report*. In that Report, Lord Justice Jackson's recommended that, in certain intellectual property disputes, the recommendation of the Report of the Intellectual Property Court Users Committee should be implemented, namely that trials would be limited to two days maximum and there be would be a costs cap of £50,000, and a cap of £500,000 on the financial remedies available. It seems particularly pertinent to this case, which involves a defendant company with a relatively small turnover which was nearly put out of business, to refer to paragraph 3.7 of Chapter 24 of the Lord Jackson's report. In that paragraph, in relation to small and medium enterprises and in the context of the reforms recommended by the Report of the Intellectual Property Court Users Committee, he states that:-

"I believe that if the proposed package of reforms is adopted, this will promote access to justice at proportionate costs for SMEs and other parties involved in lower value IP disputes."

61. While the level of legal costs which are paid by parties to litigation, is a matter in which the courts have limited say, the courts can however take account of the public interest in the use of court resources in litigation. This was referenced recently by the Supreme Court in *Tracey v. Burton* [2016] IESC 16 in the context of lay litigants. At para. 45 of that judgment, MacMenamin J. observed that court time is a 'scarce public resource' which should not be 'unnecessarily wasted'. He added:-

"Court time is not solely the concern of litigants, or their legal representatives. There is a strong public interest aspect to these issues."

62. This Court has an obligation, not just in the context of lay litigants, but in the context of all court cases, including Commercial Court actions, to ensure that scarce public resources are not unnecessarily wasted. It is this Court's view that in the context of a €260,000 claim for damages which resulted in an award of €35,000, but which took 10 days in the Commercial Court to hear, enough court time has already been allocated to this case, without allocating any more scarce court resources. It is for this reason that this Court has decided to pre-empt any election by the plaintiffs to seek an account of profits by refusing to permit such an election, if one were to be sought, and instead to deal with the damages claim next, without the necessity for a further court hearing.

Level of damages

63. Having decided not to allow the plaintiffs to elect for an account of profits, it remains for this Court to outline the reasons for its determination that the appropriate amount of damages to compensate the plaintiffs for the infringement by the defendant of its trade mark, is €35,000.

64. This Court was not persuaded by the evidence of Ms. Jackets, on behalf of the plaintiffs, as regards the level of damages which

should be awarded. Ms. Jackets was given the task by the plaintiffs of estimating a notional licence fee which a third party would pay the plaintiffs for the use of the NUTRIplete trade mark during the period November 2012 to April 2016. However, through no fault of Ms. Jackets, it seems that the task which she had been set was a very difficult one, since Mr. Ketelaar (the founder of Nutraceutical) provided evidence that one would always licence a trade mark in these circumstances along with the proprietary entitlement to use the plaintiff's ONS formula. Yet this was a case where Nualtra did not use the plaintiffs' proprietary formula, and so Ms. Jackets was being asked to value a trade mark without any proprietary entitlement to use a formula.

65. In addition, when Ms. Jackets was cross examined it became apparent that many of the third party trade mark licence agreements that she was relying upon for her valuation of the notional trademark licence fee of €260,000, were not in fact trademark only licences but licences for patents, trademark and distribution agreements, trademark and manufacturing agreements, trademark and asset sale agreements, licensing of individuals' names and some involved the provision of services. Accordingly, this Court concluded that, to assess an appropriate level of damages for the plaintiffs in this case, it could not rely on the evidence of what Ms. Jackets believed was a fair value for the hypothetical licence of NUTRIplete.

66. Mr. Andrew Wynn, a UK based economist with FTI Consulting, gave evidence on behalf of the defendant in relation to the damages suggested by Ms. Jackets. In his Report he provided evidence which undermined Ms. Jacket's evidence. However, his Report was of limited assistance since he did not provide any alternative value for the damage suffered by the plaintiffs. When pressed in cross examination, he stated that he would value the damage suffered by the plaintiffs at "10 to 20,000".

67. Also of relevance to the Court in assessing the value of the NUTRIplete trademark, and thus the damages suffered by the plaintiffs, is the fact that this very trade mark was purchased at arms length from Nutraceutical by Aymes on the 17th June, 2015 for the sum of £50,000 (the equivalent of €69,640 at that time). This right was assigned in perpetuity and not for period of 3.5 years, which is the period which this Court must assess, but on the other hand Nutraceutical obtained a royalty-free licence under the terms of that assignment, to use the trade mark outside the UK, Ireland and France with the consent of Aymes which could not be unreasonably withheld.

68. Based on the foregoing, it seems to this Court that the true value of the licence of NUTRIplete for a period of 3.5 years and thus the damages which should be awarded to the plaintiffs is a sum of €35,000.