



**THE COURT OF APPEAL**

**CIVIL**

**Neutral Citation Number: [2019] IECA 8**

**Record No. 2016 378**

**Peart J.  
McGovern J.  
Costello J.**

**BETWEEN/**

**GALWAY FREE RANGE EGGS LIMITED**

**APPELLANT/**

**PLAINTIFF**

**- AND -**

**KEVIN O'BRIEN, CARMEL O'BRIEN AND HILLSBROOK EGGS LIMITED**

**RESPONDENTS/**

**DEFENDANTS**

**JUDGMENT of Ms. Justice Costello delivered on the 22nd day of January, 2019**

1. This is an appeal by the plaintiff from the Order dated 26th May 2016 of the High Court (O'Connor J.) dismissing its claim for an order restraining the defendants from passing off their goods as the goods of the plaintiff by the use of the name "O'Briens of Galway Free Range Eggs" or any name for trading incorporating the words "Galway Free Range Eggs". The trial judge's reasons are contained in his judgment delivered on the 12th May 2016 ([2016] IEHC 249). I would allow the appeal of the plaintiff/appellant against this judgment for the reasons set out below.

**Background**

2. In 1992, Ms. Catherine McGrath began selling eggs under the name "Galway Free Range Eggs". She incorporated a company, the appellant, in 1994 and the appellant marketed its eggs under the name primarily in Galway and the West of Ireland. Ms. McGrath sold the company to the current proprietors in 2007.

3. Until 2012, the first and second named respondents supplied eggs to the appellant which were produced at their farm at Hillsbrook, Tuam, County Galway. In December 2011, they incorporated the third named respondent. They then commenced producing, selling and marketing eggs under the brand name "Free Range Eggs Galway" through the third named respondent.

4. Mr. Kevin Towey, one of the shareholders and a director of the appellant, met with the first named respondent at his home to protest about the respondents' trading under their chosen name. While there was conflicting evidence as to what precisely was said at the meeting, it is common case that the respondents ceased marketing their eggs as "Free Range Eggs Galway" after the meeting. The respondents began marketing their eggs in or about late 2012 primarily in County Galway as "O'Briens of Galway Free Range Eggs".

5. The appellant objected to the respondents trading under this brand name and ultimately instituted these proceedings by a plenary summons dated the 6th June 2013.

6. The appellant applied for an interlocutory injunction to restrain the respondents from marketing their eggs under the name O'Briens of Galway Free Range Eggs. The appellant was refused interlocutory relief by the High Court (Gilligan J.) and the substantive proceedings were ultimately heard by the High Court (O'Connor J.) who dismissed the appellant's claim.

**Decision of the High Court**

7. The High Court judge recorded that Ms. McGrath commenced her enterprise in 1992 and that she incorporated the appellant in 1994 to carry on the business of selling free range eggs from Galway under the name "Galway Free Range Eggs". He noted that the appellant registered a trademark certificate for eggs registered in Class 29 in September 2008 and that this trademark was used on the top of the appellant's egg boxes from 2008 up to around 2012. In 2012 the appellant changed the get up of the box used to sell eggs to what was referred to as a Sunburst box. He described the egg box label used for the sale of the respondents' free-range eggs since in or about late November 2012 using the brand name "O'Briens of Galway Free Range Eggs". He appended to the judgment a copy of the Ballinasloe GAA Fixtures list for O'Briens of Galway Free Range Eggs Division 4B North for fixtures from September 2013 to November 2013 and a copy of the Galway County Under 21A and 21B Football Champions 2013 with a banner inscribed with "O'Briens of Galway" and "Free Range Eggs" underneath.

8. He referred to the European Communities (Marketing Standards for Eggs) Regulations 2009 (S.I. Number 140/2009) which require egg boxes to comply with Article 12 of Commission Regulation (EC) Number 589/2008 of 23rd June 2008, as amended by Commission Regulation (EC) Number 598/2008 of 24th June 2008, which provides for the marketing of eggs.

9. He held that egg boxes must disclose whether the eggs are "free range eggs", "barn eggs" or "eggs from caged hens".

10. In his judgment, he said that the appellant had always focussed on the use by the respondents of the word "Galway" when

marketing their free-range eggs to retail outlets. He focussed on the get up of the boxes of the two enterprises. He said he did not detect any intention on the part of the respondents "to get the free ride" of which they were accused "when designing and using the defendants' box in 2012".

11. The appellant and the respondents each adduced evidence from surveys. Mr. Cosgrove gave evidence on behalf of the appellant. He, along with two part-time workers, questioned two hundred shoppers outside three shops in Galway on the 19th July 2013. Mr. Oliver Walsh gave evidence on behalf of the respondents. His company conducted an online survey in 2016 from ninety-seven individuals on a database made up of business owners principally in the Galway area. Mr. Cosgrove found that 38% of the customers surveyed thought it was possible to confuse the respondents' brand with that of the appellant. Mr. Walsh found that 71% of those who considered brand to be important felt that it was not possible to confuse the two brands, though, in what appears to be a mistaken reading of the results in his report, the trial judge recorded this as a finding that 71% of those surveyed who thought branding was important thought that it would not be possible to confuse the two boxes.

12. The High Court endorsed the decision of McCracken J. in *SmithKline Beecham plc. v. Antigen Pharmaceuticals Limited* [1999] 2 ILMR 190 at 197 which concerned the launch of "SOLFEN" into the same market as served by "SOLPADEINE". McCracken J. was sceptical as to the value of survey evidence for interlocutory injunction applications and the type of person questioned in that case, consumers as opposed to pharmacists.

13. The trial judge was sceptical as to the value of the evidence adduced from the surveys. He was critical of the failure of the appellant to adduce independent evidence from the trade. He relied upon the decision of Laffoy J. in *Symonds Cider v. Showerings (Ireland) Limited* [1997] ILMR 481 to have regard to his own personal experience of shopping for eggs. At para 34 he said: -

*"In this regard, it is this Court's view that any reasonable shopper who wanted to buy or was directed to buy the plaintiff's free-range eggs would not be confused by the get up or the use of the words on the defendants' boxes."*

14. The judgment concluded: -

*"35. Ultimately the Court was left with limited survey evidence with opinions of market analysts engaged by each of the parties. They posited their opinions on the surveys which they formulated. Not one shopper or independent retailer was called to give evidence that the defendants' boxes or promotions through GAA leagues had caused confusion. The plaintiff's reliance on the Kilkenny case was undermined by the specific evidence which was actually adduced in the Kilkenny case."*

*36. The evidence offered on behalf of the plaintiff concerning brand confusion was tenuous and unreliable. Taking all of the circumstances and the scepticism which the Court expresses about the value of market questionnaires and opinions, the Court finds that the plaintiff has failed to establish misrepresentation leading to confusion between the egg boxes of the parties. The GAA banner and fixture list point made on behalf of the plaintiff indicated a certain desperation to make a claim. Although not particularly relevant, the suggestion of confusion has not resulted in damage to the claimant's goodwill or reputation."*

### **Passing off- "The Triple Test"**

15. O'Connor J. applied the triple test paraphrased by Clarke J. in *Jacob Fruitfield Limited v. United Biscuits U.K. Limited* [2007] IEHC 368 to determine whether the appellant had established its case against the respondents. The three elements of the test were: -

(a) the existence of a reputation or goodwill in the claimants' product including, where appropriate, in a brand name or get-up;

(b) misrepresentation leading to confusion between what is alleged to be the offending product and the claimants' product; and

(c) whether damage to the claimants' goodwill or reputation by virtue of any such confusion has been established.

16. In the appeal, it was said that while the High Court had correctly stated the test, the trial judge had failed to apply the test correctly.

### **The appellant's arguments on appeal**

17. Firstly, the appellant said that the High Court had failed to rule on whether or not the appellant had established the existence of a reputation or goodwill in its product and in particular in its brand name. It argued that this was a fundamental error which led to further errors in the approach of the High Court to its case. It said that the greater the reputation of a claimant, the greater the likelihood that a similarity of name will lead to confusion. It submitted that there was uncontradicted evidence that the appellant had a significant reputation and goodwill in the brand name "Galway Free Range Eggs".

18. Secondly, it submitted that the High Court did not actually address the case advanced by the appellant. The trial judge did not address the issue of the similarity of brand names. He focussed upon the similarity or lack of similarity in the get up of the egg boxes. The case was never a "get up" case; it was always about the brand name.

19. Thirdly, the High Court misconstrued the regulations which require persons who sell eggs to mark them "free range eggs", "barn eggs" or "eggs from caged hens". EU and national law requires that the cartons in which the eggs are sold are labelled with one of these three modes of farming. There is no requirement that this be stated in the brand name of the product. To put it another way, the third named respondent was required to mark its eggs as free-range eggs. It was not required by law to adopt a brand name which included the words "Free Range Eggs" in the name.

20. This error led the trial judge to reduce the appellant's claim to the brand name "Galway Free Range Eggs" to a claim to the word "Galway" on the grounds that it could not have an exclusive right legal to the words "Free Range Eggs" in its name because of the mandatory obligation to label the eggs in accordance with the regulations. The appellant argued that this was an error; it was entitled to claim a reputation and goodwill in the combination of words. As a matter of principle, the case it advanced was no different to that advanced in *Guinness v. Kilkenny Brewing Company Limited* [1999] 1 ILMR 931. This error led the trial judge into further error as he then failed properly to apply this authority to its claim in the proceedings.

21. Fourthly, the appellant argued that the trial judge erred in his approach to the survey evidence adduced by both parties and his rejection of that evidence, even when the two experts were in agreement and there was no conflict of evidence on the crucial issues of the existence of the appellant's reputation and the possibility of confusion by members of the public between the two brands. It was submitted that the High Court erred in attaching little if any weight to Mr. Cosgrove's conclusion "about the effect of the so-called confusion among 38% of survey participants about the brands in June 2013" (emphasis added). He did not have regard to the fact that if Mr. Walsh explained that 71% of those who considered brand important felt it was not possible to confuse the two brands, it followed that 29% of those who considered brand important *did* feel it was possible to confuse the two brands. This meant that there was agreement that a significant minority of those surveyed by both sides felt that it was possible to confuse the two brands yet the trial judge did not address the evidence or explain why he rejected it, other than his generic rejection of survey evidence.

#### **Duty of a Court of first instance**

22. In *Doyle v. Banville* [2018] 1 I.R. 505, Clarke J stated that any party to any litigation is entitled to a sufficient ruling or judgment so as to enable that party to know why the party concerned won or lost. At para 10 of the judgment he said: -

*"...To that end it is important that the judgment engages with the key elements of the case made by both sides and explains why one or other side is preferred. Where, as here, a case turns on very minute questions of fact as to the precise way in which the accident in question occurred, then clearly the judgment must analyse the case made for the competing versions of those facts and come to a reasoned conclusion as to why one version of those facts is to be preferred. The obligation of the trial judge, as identified by McCarthy J. in Hay v. O'Grady [1992] 1 I.R. 210, to set out conclusions of fact in clear terms needs to be seen against that background."*

#### **Failure to rule on the appellant's claimed reputation and goodwill**

23. *Doyle v Banville* confirms, if there were any doubt, that there was a clear obligation on the trial judge to determine whether or not the appellant had established the existence of a reputation or goodwill in its product including its brand name. The trial judge failed to do so in this case. There was ample evidence from the appellant's witnesses as to the existence of the reputation of the appellant in the brand name "Galway Free Range Eggs". Mr. Towey and his brothers purchased the brand name from Ms. McGrath when they purchased her company in 2007. They registered the trademark in 2008. Mr. Cosgrove said it had a brand recognition of 70%, which he described as exceptional and Mr. Walsh on behalf of the respondents said that it had a brand recognition of 58%. Mr. O'Brien, the first named respondent, said under cross examination on Day 3 page 157: -

*"Q. You have accepted, have you not, and you have heard your own marketing expert, you have accepted, have you not, that the name "Galway Free Range Eggs" is well known in the Galway area?"*

*A. That's right.*

*Q. And that that has a certain market reputation.*

*A. That's right.*

*Q. That is a good reputation.*

*A. Yes.*

*Q. Anything associated with that reputation would do well from the same reputation; wouldn't it?"*

*A. Yes, I suppose it would, yeah"*

24. In those circumstances, the appellant clearly satisfies the first limb of the triple test set out in the *Jacobs* case as not only has it established that it has a reputation or goodwill in the brand name, it has established that it had a significant one. This evidence was uncontradicted. Mr. O'Brien gave the evidence I have quoted above which confirms the appellant's case. In those circumstances, I agree with the submissions of the appellant that the trial judge erred in failing to make this finding.

#### **Misconstruction of the appellant's case**

25. The High Court approached the case primarily by reference to the get up of the packaging of the egg boxes. The trial judge concluded at para. 36 that the plaintiff had failed to establish misrepresentation "leading to confusion between the egg boxes of the parties". The appellant's case as set out on the statement of claim is about its brand name. It refers to the fact that its brand has become a household name and that it has acquired and enjoys valuable goodwill in respect of the name "Galway Free Range Eggs". Its case is that it has been known in the marketplace by that name and that it has acquired a substantial reputation and goodwill in the name and a substantial goodwill and reputation in the word "Galway" when used in connection with free range eggs which is known to both the trade and the general public in Galway and the West of Ireland.

26. The respondents pleaded in their defence that the third named defendant was engaged in the business of producing, selling and marketing free range eggs under its brand name "O'Briens of Galway Free Range Eggs".

27. The approach of the High Court judge to the case, by emphasising the get up of the egg boxes, rather than by focussing on the brand name "Galway Free Range Eggs" was to misjudge the actual case before him.

28. In *O'Neill's Irish International Sports Company Limited v. O'Neill's Footwear Drier Company Limited* (Unreported, High Court, 30th April 1997), Barron J. held as follows: -

*"The nature of this tort is to be found in its name. The wrong is that of passing-off ones' goods as those of another. This can be done by similarity of name, appearance, get-up or any other similarity which achieves the same purpose. How it is done is immaterial so long as the similarity is calculated to deceive those who might buy or otherwise deal in the goods. Deliberate intention is not necessary."*

29. The appellants relied in particular upon the decision of Laffoy J. in *Guinness v. Kilkenny Brewing Company Limited* [1999] 1 ILRM 531. She held that the plaintiff in that case had an established good name in the name "Kilkenny" when used in connection with beer. It is clear, therefore that, as a matter of principle, it is possible for the appellant to have an established goodwill in "Galway Free Range Eggs" and in the name "Galway" when used in connection with the words "Free Range Eggs". Whether the appellant in fact

proved that this was so is a separate issue.

30. In *Guinness v. Kilkenny Brewing Company Limited* the defendant planned to develop a microbrewery and a restaurant in an old building in Kilkenny known as "The Maltings". It was intended that the defendant would be the property holding company and that the actual business of the microbrewery and restaurant would be carried on by O'Sullivan Brewing Company Limited. In the event, the project in Kilkenny did not proceed but the directors of the defendants sought to develop their concept in the Martello tower in Sandymount in Dublin. The plaintiffs were concerned by this development as they produced "Kilkenny Irish Beer" which originally had been for sale on the continent but which it was launching on the Irish market around the time the defendants were pursuing their plans. It is important to emphasise that Kilkenny Brewing Company Limited had not commenced to trade and there was no beer produced by O'Sullivan Brewing Company Limited at the time the proceedings commenced. The plaintiffs' case was that they had an established reputation in the word Kilkenny when used in connection with beer and that it was inevitable that the use of the name of the defendant in association with beer was likely to confuse consumers "into perceiving a link or association between the defendant and the plaintiffs and, in particular, the plaintiffs' product "Kilkenny Irish Beer".

31. Laffoy J. referred to the decision of Kenny J. in the Supreme Court in *C & A Modes v. C&A (Waterford) Limited* [1976] I.R. 198 at 214 as follows: -

*"The legal wrong known as passing-off includes the incorporation in the Republic of Ireland of a company with a name likely to give an impression to the public that it is a subsidiary or branch of or is associated or connected with another company which has an established goodwill, whether the latter company is incorporated in the Republic or outside it."*

32. Laffoy J. also referred to the case of *Ewing v. Buttercup Margarine Company Limited* [1917] 2 Ch 1 where Mr. Ewing carried on business under the name "Andrew Ewing, trading as the Buttercup Dairy Co." from 1904 dealing with margarine, tea and other goods. The defendant was incorporated in 1916 and had not commenced trade prior to the date of trial. Warrington L.J. said: -

*"Looking at those two names, it seems to me obvious that a trader or a customer who had been in the habit of dealing with the plaintiff might well think that the plaintiff had adopted the name of Buttercup Margarine Co. Limited as his own name for the purposes of the margarine branch of his business, or for the purposes, if you will, of doing what it said the defendants are going to do - namely, to make their own margarine instead of buying it in the market. If that be so, it seems to me that the plaintiff has proved enough. He has proved that the defendants have adopted such a name as may lead people who have dealings with the plaintiff to believe that the defendants' business is a branch of or associated with the plaintiff's business. To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me. And it is just that kind of injury that what the defendants have done here is likely to occasion."*

33. Laffoy J. concluded at para 539 of the report: -

*"While the propensity to create the wrong impression of a connection between businesses may not be as starkly obvious in the instant case as in Ewing -v- Buttercup Margarine Co. Limited [1917] 2 Ch 1, where the impression was created by the similarity of the name under which the plaintiff traded to the defendants' corporate name, nonetheless, in my view, there is a real likelihood that the public would get an impression of a connection between the business carried on in the Defendant's premises and the business of the Plaintiffs, whom the public identify with beer or brewing associated with Kilkenny because of their brand, "Kilkenny Irish Beer"."*

34. From this I conclude that the test to be applied when considering whether a claimant's reputation or goodwill in a brand name is infringed by that of the impugned brand name (as opposed to the get up of the product) is "Is there a real likelihood that the public would get an impression of a connection between the business of the appellant and the business of the respondents?" The evidence may be assessed by reference to the name alone. In the *Kilkenny* case, the defendants were not entitled to produce beer which might be sold in a get up very different to that in which Kilkenny Irish Beer was sold by the plaintiffs in the circumstances but, by implication, they could do so if the first named defendant changed its name so as to avoid the possibility of creating the offending impression.

35. In my judgment, the High Court judge erred in failing to apply this test to the case before him. It was not sufficient for the court simply to find that the appellant had failed to establish misrepresentation leading to confusion between the egg boxes of the parties.

### **The combination of words "Galway Free Range Eggs"**

36. The High Court judge correctly noted that the European Communities (Marketing for Eggs) Regulations 2009 requires egg boxes to be clearly labelled "free range eggs", "barn eggs" or "eggs from caged eggs". He incorrectly identified the issue in the case in the first paragraph of his judgment as "the word "Galway" in the "get up" of the boxes and promotion used by the defendants as the mischief in the case". As already discussed, the case concerned the brand name "Galway Free Range Eggs" and was by no means limited to, or even primarily concerned with, the get up of the egg boxes used by either party, and the claim was to a reputation or goodwill in "Galway Free Range Eggs" or the word "Galway" when used in connection with free range eggs. The appellant submitted to the High Court that it was settled law that a case of passing off can occur by virtue of the use of a name or phrase associated with a particular product in a particular market. In cases such as this one, the "get up" or packaging of the product is largely irrelevant to the determination of the issue. The appellant said that the case was about the decision of the respondents to market their produce in such a manner as to run the words "Galway" and "Free Range Eggs" together in such a way as to tend to confuse consumers or indicate a link between the respondents' produce and the appellant's brand.

37. It is clear that while the respondents were obliged as a matter of law to place the words "free range eggs" on the packaging of their egg boxes, they were required to do no more than that. They were not required to place those words in conjunction with the words "O'Briens of Galway". They were not required to adopt a brand name "O'Briens of Galway Free Range Eggs". Paragraph 3 of the defence states that the business of the third named respondent is the production, sale and marketing of free range eggs "under its brand name "O'Briens of Galway Free Range Eggs".

38. In my opinion, the trial judge was in error in failing to recognise the limitation of the legal requirement to mark the packaging in accordance with the regulations. This obligation could not have entitled, never mind obliged, the respondents to adopt the brand name they chose to adopt. It follows that it was not open to the respondents effectively to simply delete the words "Free Range Eggs" from the appellant's brand name on the grounds that the words "free range eggs" had to appear on all egg boxes containing free range eggs regardless of the identity of the seller. The evidence established that the appellant had over very many years built up a significant, valuable reputation and goodwill in relation to "Galway Free Range Eggs" and in relation to "Galway" in association with

free range eggs. The regulations could not deprive it of the benefit of goodwill and reputation which it had established prior to the introduction of the regulations. Parties who seek to market and sell eggs are required to comply both with the obligations imposed on them by the regulations and the obligation not to infringe the good will of any other party by means of passing off their product as that of the other. Complying with their obligations under the regulations did not entitle the respondents to appropriate the good will of the appellant in its brand name or business.

### Treatment of the survey evidence

39. In concluding that the appellant had failed to establish any misrepresentation leading to confusion between the egg boxes of the parties, the trial judge rejected the evidence "offered on behalf of the plaintiff" concerning brand confusion on the basis that it was "tenuous and unreliable". He also said that he was approaching the evidence of market questionnaires and opinions with a degree of scepticism as to their value. In both respects, it is my opinion that the trial judge erred.

40. In reaching this decision the High Court judge endorsed the view of McCracken J. in *Smithkline Beecham plc.* regarding the value of survey evidence. He also made reference to the dislike of such evidence expressed by the Court of Appeal of England and Wales. He did not refer to the fact that the regime in England and Wales differs to that in this jurisdiction as a party is required to obtain leave of the court before it is permitted to adduce such evidence.

41. Unfortunately, the attention of the High Court was not drawn to two decisions of the Supreme Court each of which dealt with the issue of survey evidence. In *Hanafin v. The Minister for the Environment* [1996] 2 I.R. 321 the Supreme Court endorsed the decision of Mahon J. in the Supreme Court of New Zealand in the case of *Customglass Boats Limited v. Salt House Brothers Limited* [1976] RPC 589. Murphy J. in the Supreme Court quoted from the judgment of Mahon J. at p. 595 as follows: -

*"There are obvious difficulties in the acceptance of testimony which purports to convey to the appropriate legal tribunal a number of individual assertions or opinions uttered in relation to the subject matter of the inquiry by persons not called as witnesses and, therefore, not subject to cross-examination, but the considerations which I have mentioned lead me to the conclusion that the result of a market research survey is admissible in this class of case to prove a fact in issue, whether it be reputation or likelihood of confusion or deception, even though the persons responding to the form of questions are not called as witnesses. The weight of such evidence, which was the basis of Mr. Gault's objection in this case as opposed to technical admissibility, will depend upon the circumstances.... A properly drawn market research questionnaire, carefully framed so as to elicit opinions or beliefs held by persons adequately informed, can only reveal in my opinion the existence or otherwise, in a defined proportion of the persons interviewed, of the relevant opinion or belief, and I do not think it can be right in cases involving trade mark infringement or passing-off where evidence of reputation is relevant, and especially in a passing-off action where affidavit evidence is not receivable, to compel a party to produce in the courtroom an interminable parade of witnesses to depose individually as to their knowledge and understanding of the trade association involved in a particular trade mark or design, so long as they have followed, the cautionary procedures recommended in the article in the New York University Law Review [(1953) 28 N.Y.U.L. Rev. 1213]. The evidence obtained by research survey is in my view a legitimate proof of the fact the opinions obtained had in fact existed, whether rightly held or not, and on that view of the matter it is my opinion that such evidence is not hearsay at all and that, even if it did fall within the technical concept of hearsay or representing a collation of individual statements made out of court, then the evidence would still be admissible by way of exception to the hearsay rule because it exhibits the existence of a state of mind shared in common by a designated class of persons."*

42. In *Jordan v. The Minister for Children and Youth Affairs* [2015] 4 I.R. 232, Clarke J in the Supreme Court dealt with the issue of survey evidence. At para 275 of the judgment he said: -

*"...If, and to the extent that, a court is satisfied that survey evidence can have a bearing on a factual decision which the court is required to make, then that evidence should be considered. To the extent that there may be legitimate questions over the survey methodology, the interpretation of the results of the survey or the conclusions which can be reached as a result of the relevant findings, those are matters which affect the weight which the court should attach to the evidence in question and may, in that way, have a significant effect on the ultimate outcome of the court's factual findings."*

43. At para 277 and 278 of the judgment he continued: -

*"...But provided that a court is of the view that the findings were of some assistance in determining facts which needed to be found to decide the case, then the court should consider those findings while, of course, taking into account, in considering the weight to be attached to same, any substantiated criticism of the methodology or analysis.*

*It must also be acknowledged that the precise factual question which the court has to answer can have a very significant bearing on the extent to which any legitimate criticism of the methodology or methods of analysis might lead to a significant devaluation of the expert conclusions reached for the purposes of the case in question... A legitimate criticism as to the methodology adopted might lead to a finding that the party on whom the onus of proof rested had failed to discharge that onus."*

44. The observations of McCracken J. in *Smithkline Beecham plc* now need to be read in the light of the two judgments of the Supreme Court. At p. 197 of the report he stated: -

*"In the present case the methodology of the survey has been severely criticised by the Defendant and a good deal of that criticism seems to me to be valid. However, in any event my own view is that survey evidence is of little or no value **in interlocutory applications, where that evidence is not tested by cross-examination, and indeed all the background facts relating to that evidence**, such as the actual questionnaires and answers, are not put in evidence. In the present case, there is also the factor that the survey was taken among members of the public, while it would seem to me to have little relevance unless it were taken among pharmacists."* (emphasis added)

45. It would appear that the law in this jurisdiction is as follows. Survey evidence is admissible in passing off claims to prove the opinions of members of the public on matters as to reputation or the likelihood of confusion. The weight to be attached to such evidence is a matter for the court. In assessing the weight of the evidence, the court should have regard to whether a relevant group was surveyed. So, if consumers were surveyed when the survey should have been of pharmacists, the court likely will attach little weight to the evidence derived from the survey. The reverse should also apply and greater weight should be given to surveys of the relevant group of people or businesses. An assessment of the adequacy of the methodology employed in the survey will be

significant in weighting the value of the evidence adduced based on the survey. If there are weaknesses in the methodology, the results of the survey are unlikely to be accorded much weight. McCracken J's scepticism was expressed in the context of an application for an interlocutory injunction where the evidence could not be tested by cross examination. If, on the other hand, the evidence is so tested at plenary hearing and all other relevant evidence which the parties choose to adduce is led, then his sceptical comments are likely to be of little relevance to a decision on a plenary trial.

46. Applying these principles to the facts in this case, it is important to note that each side adduced survey evidence and therefore presumably believed that survey evidence was both relevant and probative. The methodology of Mr. Cosgrove, who conducted the survey on behalf of the appellant, was not criticised by the respondents. The trial judge was not required to choose between two conflicting sets of results from the surveys of Mr. Cosgrove and Mr. Walsh and to prefer one over the other. On the essential issues of the existence of the appellant's reputation and good will and the likelihood of confusion amongst members of the public their surveys were in accord.

47. Mr. Cosgrove said that 30% of the people surveyed said that it was possible to be confused between the brands. Mr. Walsh found that 43% of the respondents to his survey felt it was possible to confuse the two brands. He said that of those who considered brand to be important 71% felt that it was not possible to confuse the two brands. This meant that 29% of those who felt branding was important felt that it was possible to confuse the brands.

48. When questioned by the court on Day 3 page 21, Mr. Cosgrove stated: -

*"Q. And, is it fair to say that what your evidence is, that there is confusion about the brands, there is confusion in the market place about the brands as of when you examined it, in 2013?"*

*A. Oh yes, definitely, that came very clear across from the report and I also met with my team afterwards and we discussed it in depth for two or three hours and that is one of the key findings as well."*

49. When Mr. Walsh was cross examined on Day 3 in relation to his finding that 43% of the persons who responded to his survey said there was confusion between the brands he said as follows: -

*"Q. I mean if 43% of people in this room thought that your services were done by somebody else, how would you feel?"*

*A. I probably wouldn't be too happy.*

*Q. Would you understand why my client wouldn't be too happy either?"*

*A. Probably."*

50. In my opinion, the trial judge erred in principle in treating the survey evidence with the degree of scepticism which he did. His reliance upon the scepticism of McCracken J. was misplaced for the reasons I have set out. He did not assess the value of the survey evidence. Mr Cosgrave surveyed 200 shoppers and there was no criticism of his methodology, yet the trial judge criticised the appellant for failing to lead direct evidence from shoppers. Mr Cosgrave surveyed the relevant section of the public, shoppers from across Galway outside three supermarkets. The appellant was not required to produce an "interminable" line of shoppers to give direct evidence of their personal views and experiences, it was acceptable to adduce the required proof in the alternative manner followed by both parties.

#### **Trial judge's conclusions on the likelihood of confusion**

51. The trial judge distinguished the instant case from the *Kilkenny Brewing* case on the grounds that there was evidence from three experts in the licensed premises trade to the effect that customers would likely confuse the plaintiffs' product, "Kilkenny Irish Beer", with a product to be sold by O'Sullivan Brewing Company Limited from premises held by Kilkenny Brewing Company Limited. He held that there was no equivalent evidence adduced in this case and criticised the appellant for failing to introduce evidence from shoppers or an independent retailer "to give evidence that the defendants' boxes or promotions through GAA Leagues had caused confusion". While it is true that no such evidence was led by the appellant, this could not justify the conclusion of the trial judge that "the plaintiff's reliance on the [*Kilkenny*] case was undermined". The Supreme Court in *Hanafin* endorsed the decision of Mahon J. in *Customglass Boats* that it is possible to use survey evidence in order to prove the existence of a reputation or the likelihood of confusion in a passing off case rather than to introduce an "interminable" stream of individual witnesses.

52. It was incumbent upon the trial judge to assess the evidence which was adduced. The trial judge dismissed as self-serving and not independent the evidence of Mr. Towey, Mr. Dalton (the former financial controller of the appellant) and Ms. McGrath as to the likelihood of shoppers confusing the two brand names. This court cannot interfere with his assessment of these witnesses. However, he dismissed the principal evidence of the appellant as to the likelihood of confusion, the survey evidence of Mr Cosgrave, on the basis that it was "tenuous and unreliable". This court can assess this conclusion as it does not depend solely on the assessment of the reliability of the witness. Mr. Cosgrove and his two assistants surveyed two hundred shoppers in the Galway area, with regard inter alia to confusion between the brands. This evidence was dismissed without having regard to the fact that it was substantially corroborated by that of Mr Walsh. There was no contradictory evidence to be preferred by the High Court.

53. There was no requirement that the appellant establish that the actions of the respondent had caused confusion. The test is whether the use of the brand name by the respondents "is likely to confuse people into perceiving a link or association" with the appellant. There was agreement between the experts on both sides that a significant minority of the population perceived that there was a risk of confusion. It follows in my opinion that the trial judge erred in his assessment of the evidence as to brand confusion and his finding that the appellant had not proved misrepresentation leading to confusion between the brands cannot stand.

#### **Proof of damage to the appellant's goodwill or reputation**

54. The trial judge concluded his judgment by saying that, although not particularly relevant, the suggestion of confusion had not resulted in damage to the claimants' goodwill or reputation. It appears that he was of the view that it was necessary for the appellant to prove that it had suffered actual damage in order for it to succeed in its claim against the respondents. It is not, in fact, necessary for the plaintiff to show that it has actually sustained damage in order to obtain injunctive relief restraining passing off in a case such as this. This is clear from the decision in the *Kilkenny Brewing* case: neither company had commenced to trade and the plaintiffs in that case did not allege any damage had yet been sustained. The claim was a classic *quia timet* case.

55. The appellant's case is a *quia timet* case also. It is concerned that if the respondents sustain reputational damage in the future it

will be tarnished by unwarranted association with the respondents. It points to the possibility of a food scare in the future, and points to examples in the recent past of the damage done to other brands arising from such scares.

56. Furthermore, it is not even necessary for it to go this far in order to succeed in its claim. In *Falcon Travel Limited v. The Owners Abroad Group plc* [1991] 1 IR 175 Murphy J. held that it was not necessary to establish that actual damage had been caused by the complained of actions. In his view, it was the appropriation of goodwill which constituted the damage necessary to sustain an action for passing off. At p. 182 of the report he said: -

*"... nobody would doubt that damage is established where the wrongdoer gains business by his improper conduct even though there was no corresponding loss to the plaintiff... However it seems to me that these... categories of loss are no more than the consequences of the wrongful (though perhaps unintentional) appropriation by the defendant of the goodwill of the plaintiff in its goods or business and it is this appropriation of goodwill which constitutes the damage necessary to sustain an action for passing off."*

57. This decision was followed by Barron J. in the High Court in *O'Neill's Irish International Sports Company Limited and Ors. v. O'Neill's Footwear Dryer Company Limited* (Unreported, High Court, Barron J., 30th April 1997). He followed the case which identified the damage cause by the passing off as the violation of the plaintiff's property rights in its reputation or goodwill. At p. 7 of the report he concluded: -

*"This unwarranted and impermissible use of the Plaintiffs' reputation and good will is in itself sufficient damage to constitute the wrong of which complaint is made."*

58. It follows that the appellant was not required to show that it had suffered actual damage in order to succeed in its claim before passing off and it was entitled to an injunction to protect its reputation and goodwill in its brand name on a *quia timet* basis if it had otherwise established that the acts of the respondents constituted the tort of passing off.

### **Infringement of trademark claim**

59. In light of my conclusions on the issue of passing off and the entitlement of the appellant to succeed on the primary ground of its appeal, it is not necessary to consider the issue of an alleged infringement of the trademark. It is appropriate that the issues raised on the appeal in relation to the application for an injunction for alleged infringement of the trademark be left to be determined in a future case.

### **Conclusions**

60. The appellant had an established substantial reputation and goodwill in its brand name "Galway Free Range Eggs" in respect of its products in Galway and the West of Ireland.

61. EU and domestic regulations required the respondents to label their egg cartons "free range eggs" but it did not require them to include the description in their brand name. Therefore, the regulatory obligation could not justify the inclusion of the words "free range eggs" in their brand name if it would result in passing off their goods as those of the appellant. The respondents were required to comply both with the obligations imposed on them by the regulations and the obligation not to infringe the good will of the appellant by means of passing off their product as that of the appellant. Complying with their obligations under the regulations did not entitle the respondents to appropriate the good will of the appellant in its brand name or business.

62. The appellant was entitled to claim a reputation and goodwill in the phrase "Galway Free Range Eggs" and in the combination of the words "Galway" and "free range eggs". Its case was not confined to the use of the word "Galway". The test whether its reputation or goodwill in its brand name was infringed by that of the impugned brand name (as opposed to the get up of the product) is "Is there a real likelihood that the public would get an impression of a connection between the business of the appellant and the business of the respondents?"

63. The appellant satisfied this test by means of survey evidence. This was permissible and it was for the High Court to assess the weight to be attributed to the evidence. The evidence from the surveys conducted by both the appellant and the respondents established that 29% of those surveyed who believed branding to be important believed that it was possible to confuse the two brands. The High Court erred in dismissing this evidence on the basis that it was of no probative value in light of decisions of the Supreme Court to the contrary, particularly where there was no contradictory evidence to be preferred by the High Court, and in criticising the appellant for failing to adduce evidence from shoppers or experts in the retail trade instead.

64. The appellant was not required to show that it had suffered actual damage in order to succeed in its claim for passing off and it was entitled to an injunction to protect its reputation and goodwill in its brand name on a *quia timet* basis as it had established that the acts of the respondents constituted the tort of passing off.

65. For these reasons I would allow the appeal and hold that the appellant is entitled to an injunction to restrain the respondents from trading under the name "O'Briens of Galway Free Range Eggs".