

THE HIGH COURT

[2013 No. 641 S.P.]

IN THE MATTER OF THE TRADE MARKS ACT 1963,

AND IN THE MATTER OF THE TRADE MARKS ACT 1996,

AND IN THE MATTER OF APPLICATION NUMBERS 177240 AND 177245 DATED 11TH JANUARY, 1994, PURSUANT TO THE TRADE MARKS ACT 1963, BY DIESEL S.P.A

FOR REGISTRATION OF DIESEL (DEVICE) AS TRADE MARKS

IN CLASS 25 OF THE REGISTER OF TRADE MARKS

BETWEEN

DIESEL S.P.A.

PLAINTIFF

AND

THE CONTROLLER OF PATENTS, DESIGNS AND TRADEMARKS

FIRST DEFENDANT

AND

MONTEX HOLDINGS LTD.

SECOND DEFENDANT

JUDGMENT of Mr. Justice Binchy delivered on the 9th day of June, 2016.

1. By this application, the plaintiff seeks leave of the court to adduce further evidence in an appeal brought by the plaintiff pursuant to s. 57 of the Trademarks Act 1963 (hereafter "the Act of 1963") and Order 94, rule 48 of the Rules of the Superior Courts 1988 (as amended), from the decision of the first named defendant (hereafter "the Controller") dated 9th September, 2013, whereby the Controller refused the application of the plaintiff for registration in the name of the plaintiff of the trademarks DIESEL (word mark) and DIESEL (device) in respect of clothing, footwear and headgear within class 25 of the Register of Trademarks.

2. The application is the latest twist in a very long running dispute between the parties which first began in 1992, when the second named defendant (hereafter "Montex") applied to the first named defendant (hereafter "the Controller"), to register the trademark DIESEL in Ireland. That application (the "Montex application") was opposed successfully by the plaintiff. The decision on that application was given by the Controller on the 22nd April, 1998, and was appealed by Montex to this Court (the "Montex proceedings"), which delivered its decision (O'Sullivan J.) on 14th January, 2000. O'Sullivan J. upheld the decision of the Controller for two reasons:-

(i) That Montex had failed to respond to an allegation made by the plaintiff that it had not adopted the name, DIESEL, *bona fide*, and for that reason alone, that application (hereinafter the "Montex application") should not succeed; and

(ii) There would be confusion between the marks used by the plaintiff and Montex if the application was allowed, and therefore it should not be allowed pursuant to s. 19 of the Trademarks Act, 1963 (hereafter the "Act of 1963").

3. Montex appealed that decision to the Supreme Court, which delivered its decision on 5th April, 2001. In his judgment, Geoghegan J. agreed with O'Sullivan J. in the High Court that there was ample evidence before the hearing officer and before the High Court to justify a finding of likelihood of confusion and that accordingly, the application should be refused under s. 19 of the Act of 1963.

4. Importantly, the High Court found as a fact that there was evidence, prior to the Montex application, of usage by both parties of the DIESEL mark such to be sufficient to confer upon Montex *prima facie* entitlement to be registered as owner of the mark and upon the plaintiff *locus standi* to oppose the Montex application.

5. The plaintiff brought forward the application the subject of these proceedings in 1994, and this was opposed by Montex. Understandably, no steps were taken to progress or oppose this application until after the delivery of the Supreme Court decision on the Montex application on 5th April, 2001. Thereafter, the chronology of this application which was conducted pursuant to the Trade Mark Rules, 1963 ("the rules") is as follows:

(i) On 21st February, 2002 Montex filed its notice of opposition to the plaintiffs' application in the proceedings;

(ii) On 10th May, 2002 the plaintiff filed its counterstatement;

(iii) On 10th December, 2003 having sought three extensions of time, the plaintiff filed its evidence pursuant to rule 38 of the rules, comprising statutory declarations of Renzo Rosso (founder and owner of the plaintiff company) dated 14th October, 2003, and of Peter Schofield Lawley (then commercial manager of the plaintiff company in London) dated 26th October, 2003;

(iv) On 7th October, 2004 following four extensions of time, Montex filed evidence pursuant to rule 39 of the rules

comprising statutory declarations and exhibits of Michael Heery, Keith Doyle, David O'Connor, Michael Sherlock and Patrick McKenna; all dated 5th October, 2004. The affidavit of Mr. McKenna explained, for the first time, how Montex claimed it came to use the DIESEL mark. This gave rise to a request to allow cross examination of Mr. McKenna;

(v) On 22nd March, 2007 Montex sought leave under rule 40 of the rules to admit evidence explaining why evidence as to the choice of the word "DIESEL" as a brand had not been given in the first set of proceedings;

(vi) On 26th October, 2007 the controller agreed to allow cross examination of Mr. McKenna, and to allow Montex to file evidence under rule 40 of the rules. This evidence was filed on 20th February, 2008, by way of statutory declaration of Shane Smyth dated 15th February, 2008;

(vii) On 21st May, 2012 the hearing took place before the controller;

(viii) On 4th April, 2013 the controller delivered his decision, upholding the opposition of Montex and refusing application of plaintiff;

(ix) On 7th November, 2013 the plaintiff appealed against decision of controller; and

(x) On 24th February, 2014 this application for leave to admit additional evidence was brought.

6. In his decision, refusing the plaintiff's application, the Controller was highly critical of the plaintiff for failing to provide more evidence than it did relating to the sale of its goods in Ireland, during the relevant period and was in particular critical of the failure to exhibit more invoices proving sales of its products and magazines in which the plaintiff claimed it published advertisements or evidence in relation to the circulation of those magazines in Ireland. In more general terms he stated that there was a "notable lack of concrete evidence and exactitude" in the plaintiff's application. The plaintiff brings this application to adduce further evidence in order to address the evidential deficiencies identified by the Controller.

7. This application is grounded upon the affidavit of Ms. Deirdre Fallon, solicitor for the plaintiff dated 24th February, 2014. In para. 3 of that affidavit she states that the additional evidence in respect of which leave is sought is set forth in:

(i) an unsworn (the affidavit was sworn subsequently) but approved affidavit of Mr. Stefano Lesurum;

(ii) an affidavit of Mr. Simon Cutting; and

(iii) an affidavit of Mr. Edmund Shanahan.

8. Mr. Lesurum states that he is the head of legal affairs in the Company. There are twelve exhibits to his affidavit. These are marked "SL1" to "SL12". With the exception of the first exhibit, which is exhibited for information only, all of the other exhibits comprise the subject of this application as originally framed. I say 'as originally framed' because in opposing this application, the first and second defendants have filed affidavits to which the plaintiff has responded with further affidavits, which effectively expand upon its original application. The first exhibit, "SL1", is a statutory declaration of a Mr. Peter Schofield Lawley, commercial manager of DIESEL (London), dated 9th July, 1996. That actually formed part of the original application, but the remaining exhibits to the affidavit of Mr. Lesurum all comprise documents which the plaintiff now seeks to put in evidence.

9. I will deal with each in turn, and also the reason put forward by Mr. Lesurum as to why each should be admitted in evidence.

(i) Exhibit "SL2" comprises advertisements from two magazines one known as the 'Face' and the other known as 'Arena'. There is just one advertisement from the Face magazine dated August 1992 and there are six advertisements from the period September 1992 to January 1994 from Arena magazine. The reason given by Mr. Lesurum for wishing to put these advertisements in evidence is that in his decision, the hearing officer of the first named defendant noted that Mr. Schofield Lawley, in his statutory declaration referred to above, had referred to advertising by the plaintiff in these magazines (as well as two other magazines namely 'For Him' and 'Sky' magazines"), but that he had not exhibited any evidence to support a claim of such advertising. Accordingly, the purpose of this exhibit is to deal with this finding of the hearing officer.

(ii) Exhibit "SL3" comprises another advertisement from the Face magazine dated August 1992 (already exhibited in SL2) and a further copy of an advertisement from Arena magazine dated December/January 1992/1993. These are exhibited in response to another matter raised by the hearing officer in his decision, in which he noted that documents exhibited by Mr. Schofield Lawley in his statutory declaration and stated therein to comprise typical advertisements in well known magazines were not dated, and did not contain anything to suggest that they are extracts from a magazine. Accordingly the purpose of these additional exhibits is to confirm that exhibits submitted with the original application are in fact what was stated in the declaration of Mr. Schofield Lawley.

(iii) Exhibit "SL4" is a table headed "Total Average Net Sales" and refers to all of the magazines referred to above. It contains eight columns each related to a period of six months starting January-June 1986 and ending July-December 1989. Mr. Lesurum says that this exhibit demonstrates sales figures for each of the magazines, in Ireland and the UK, in respect of each of the periods referred to therein, which were obtained from a body known as the Audit Bureau of Circulations (hereafter "ABC"). The purpose of this exhibit is to demonstrate the sales circulations of the magazines in which the plaintiff claimed it advertised its products during the relevant periods.

(iv) Exhibit "SL5" is a letter dated 4th December, 1995 from a Mr. Rod Sopp who is described as an Advertisement Director at the Face magazine and who states in the letter that "our magazines the Face and Arena have consistently carried advertising for DIESEL jeans since February 1992. These magazines are, and always have been, distributed worldwide including the Republic of Ireland.

(v) Exhibit "SL6" is a similar letter from a Mr. Roger Rahaman, Sales and Marketing Manager at 'I-D' magazine, which is also dated 4th December, 1995. It is clear that the purpose of this and the previous exhibit is to demonstrate firstly, that the plaintiff advertised in the magazines concerned and secondly, to give an indication as to the circulation of those magazines; that is prompted by comments made by the hearing officer in his decision regarding the lack of evidence of advertisements in the UK and the spill-over of those advertisements into Ireland.

(vi) Exhibit "SL7" comprises four invoices submitted with the original application of the plaintiff, which the Hearing Officer did not consider adequate to demonstrate a reputation in Ireland based on sales. They form part of this application only because the copies submitted with the original application were of poor quality.

(vii) Exhibit "SL8" comprises a further ten invoices to deal with the comments of the Hearing Officer regarding the inadequacy of the number of invoices provided to support a reputation of the plaintiff in Ireland, during the relevant period.

(viii) Exhibit "SL9" also comprises invoices (two in number) to address another matter raised by the Hearing Officer in his decision. This was that in his statutory declaration, Mr. Schofield Lawley referred to the distributor of the plaintiff in Ireland as being a UK company called Walker Webster Ltd. prior to 1988, and the Hearing Officer noted that there was no evidence to support this; these invoices are exhibited as evidence of that distributorship.

(ix) Exhibit "SL10" is a copy of the affidavit of Mr. Simon Cutting referred to above. This is to demonstrate that, notwithstanding that Mr. Schofield Lawley had said that Walker Webster Ltd. was the distributor of the plaintiff in Ireland prior to 1988, Mr. Cutting (through his companies, Level 5 Ltd. and, subsequently the Petroleum Clothing Co. Ltd.) was the authorised distributor of the plaintiff's products in the UK and Ireland between 1983 and 1989. He also says in this affidavit that by the time he resigned from the distributorship, annual sales in Ireland were in the order of IRE100,000.00. Additionally, in this affidavit he says that he had never heard of the second named defendants brand before and that he is "absolutely sure" that *"the Montex DIESEL brand was not being sold or wholesaled in Ireland between 1983 and 1989."*

(x) Exhibit "SL11" comprises television listings in The Irish Times during 1991, which referred to an event on a satellite channel called "DIESEL Jeans Superbike" the purpose of this exhibit is to show television advertising for the products in Ireland during the period.

(xi) Exhibit "SL12" is an affidavit of a Mr. Edmond Shanahan dated 21st February, 2014, who describes himself as a management consultant with over forty years experience working in the fashion industry both in Ireland and abroad. The general thrust of his affidavit is to say that he became aware of the plaintiff's products in the early 1980s as well as their advertisements in the early 1990s in "cutting edge" magazines like the 'Face' and 'Arena' as well as other advertisements, and he exhibits sample advertisements to his affidavit. He discusses the development of the brand during the 1980s and 1990s and its popularity in the 18-25 age group. He says that he became aware, by rumour, in the mid-1990s of the second named defendant's brand, which he says was known disparagingly in the business as the "Irish DIESEL". He describes the products of the second named defendant as being inferior to those of the plaintiff.

(xii) Exhibit "SL13" is a copy of the Italian trademark registration for the plaintiff's mark dated 12th July 1977.

(xiii) Exhibit SL14 is a copy of the second defendant's certificate of incorporation, dated 29th June 1984. The purpose of this and the previous exhibit, is to put in evidence documentation regarding the provenance of the DIESEL name as used by the second defendant.

10. Four affidavits have been filed by the defendants in opposition to this application; three on behalf of the second named defendant and one on behalf of the first named defendant. Mr. Dermot Doyle, head of Trademark Examination in the office of the first named defendant, swore an affidavit dated 28th October, 2014. Mr. Doyle was the Hearing Officer who presided over the plaintiff's application and issued the decision now appealed against by the plaintiff. In his affidavit, Mr. Doyle emphasises the various opportunities that the plaintiff already had to deliver the evidence now sought to be adduced, both in the context of the first application by the second defendant and in the context of the application the subject of these proceedings. He submits that the evidence sought to be admitted is either not new, or would, or should, have been available to the plaintiff at any time up to the hearing or alternatively is not relevant to the determination of the issues that will be before the Court on appeal. Mr. Doyle says the evidence the subject of this application refers principally to conclusions that he drew in his decision on the application of the plaintiff and that to allow the plaintiff to adduce the evidence the subject of this appeal would be to permit it to have what he describes as *"an unwarranted opportunity to have the chance to improve its case."* He avers that there are sound reasons associated with proper decision making and the administration of justice as to why there needs to be some end to the consideration and reconsideration of issues, "save in special cases" and that this is not such a special case. He expresses concern that if the court allows this application, such a decision could present real problems for the controller with the administration and adjudication of similar proceedings in the future and in particular, that parties may keep in reserve evidence available to them on the basis that they may have an opportunity to adduce it later, on an appeal, if needs be. Such an approach would, he says, undermine the statutory powers of the controller to adjudicate upon and make decisions in trademark proceedings, and increase the risk of litigation before the courts.

11. The affidavits sworn on behalf of the second named defendant in opposition to this application were sworn by Ms. Karen Gallagher of Philip Lee solicitors, Mr. Michael Heery, managing director of the second named defendant and Mr. Shane Smyth, solicitor and patent and trademark attorney. Ms. Gallagher avers that the objective of the plaintiff in this application is to *"mend DIESEL S.p.A.'s hand, having regard to the decision delivered on behalf of the controller by the hearing officer, Dermot Doyle, and by means of material that was either available at the time of the opposition or that would have been available had it been sought."* She avers that the invoices and advertisements the subject of the application are of limited relevance to the application.

12. As regards the affidavit of Mr. Lesurum, she questions how he could express some of the opinions that he does about the Irish market in 1994, given that he only joined the plaintiff company in 1997, having left university (in Italy) the year before. Ms. Gallagher also criticises the affidavit of Mr. Cutting and queries how he could state categorically that DIESEL branded clothes were not being sold by the second named defendant in Ireland at the relevant time, especially having regard to the conclusions of this Court in the first proceedings that the second named defendant was indeed selling such goods in Ireland at that time. She further criticises Mr. Cutting's evidence as being contradictory with that of Mr. Schofield Lawley, in stating that Mr. Cutting, through his entities, was the distributor of the plaintiff's brands in Ireland between 1983 and 1989, in circumstances where Mr. Schofield Lawley had previously stated in the first proceedings that a company named Walker Webster was that distributor. Ms. Gallagher notes that none of Mr. Rosso, Mr. Schofield Lawley, Mr. Richard Farrell of F.X. Kelly or Mr. Tony Forte of the Gap in Dublin ever made any mention of Mr. Cutting in their evidence.

13. Ms. Gallagher also criticises the affidavit of Mr. Shanahan. Based on the contents of his own affidavit, she queries his particular expertise and experience to give his evidence and in particular queries how it is that the activities which he deposes he was involved in, at the relevant time, would put him in a position to speak authoritatively on the casual trading market throughout Ireland.

14. In his replying affidavit, Mr. Heery critically analyses the quality of the evidence sought to be admitted. Firstly, he avers that the

advertisements exhibited by Mr. Lesurum do not substantiate a claim of advertising in the other UK magazines originally mentioned by Mr. Schofield Lawley and nor do any of the exhibits prove circulation figures specific to Ireland for any of the magazines at the relevant time. He expresses concern that if the exhibits are admitted into evidence, the second named defendant would have to try to ascertain whether either of the two magazines (the Face and Arena) were actually circulated in Ireland at the time and, if so, through what kind of channels and the level of circulation. He expresses concern that this might not be possible approach after more than twenty years have elapsed. He avers that one of those magazines, the Face, is now out of print.

15. Mr. Heery avers that no explanation is given by Mr. Lesurum as to why the two letters of 4th December, 1995 regarding ID magazine and The Face magazine was not adduced in evidence previously. He notes that some of the invoices, which Mr. Lesurum seeks to admit in evidence, do not in fact reflect supply of the plaintiff's products in Ireland for sale but in fact relate to supply of materials by the plaintiff to Irish manufacturers, apparently with a view to manufacturing goods on behalf of the plaintiff.

16. He also responds to Mr. Lesurum's comments regarding the reputation of the plaintiff in the Irish market at the relevant time and refutes Mr. Lesurum's allegations regarding the adoption of the name "Montex" and he explains the origin of that name.

17. Mr. Heery also criticises the affidavit of Mr. Cutting and points out that Mr. Cutting recalls the name of just two customers for the plaintiff's goods during his time as agent in Ireland and that he does disclose the name of his agent in Ireland. He also refers to the contradiction between the evidence of Mr. Cutting and that of Mr. Schofield Lawley.

18. Mr. Heery criticises the contents of Mr. Shanahan's affidavit as being a commentary containing sweeping and inconsistent statements, as well as gratuitously insulting and baseless statements regarding the quality of the second named defendant's products. He says that if Mr. Shanahan's affidavit is to be admitted in the proceedings, the second named defendant will require an opportunity to source evidence in reply from a suitable person, having knowledge of the relevant market at the relevant time.

19. In his affidavit, Mr. Shane Smyth explains that his firm acted for the second named defendant both in the first proceedings and in opposition to the plaintiff's application herein. In his affidavit, he sets out the facts in respect of the opportunities afforded to the parties to file whatever evidence they wished to file in connection with the plaintiff's opposition to the application of Montex. He also reviews the same opportunities afforded to the parties in connection with the first application.

20. The response of the defendants to the application gave rise to the delivery of replying affidavits by Mr. Lesurum, Mr. Cutting, Mr. Shanahan, Mr. Rosso and Mr. Schofield Lawley. In his second affidavit, Mr. Lesurum addresses the arguments made by Mr. Heery in his affidavit regarding the relevance of the material sought to be admitted and exhibits further advertisements and information from the ABC for magazines. In response to the averments of Mr. Doyle, Mr. Lesurum says that there is no question of the plaintiff having kept evidence in reserve. As regards the letters of 4th February, 1995 from representatives of the Face magazine and ID magazine, he says that he can only assume that the relevance of those letters was not appreciated at the time the plaintiff made its application.

21. Similarly, in his second affidavit, Mr. Cutting addresses matters raised by the replying affidavits filed on behalf of the defendants and in particular, he exhibits a document on notepaper of the plaintiff dated 19th January, 1987 whereby the plaintiff appoints an unnamed importer as its distributor in the United Kingdom. That document is signed by Mr. Cutting, apparently on behalf of the importer and also bears the name of Mr. Rosso. In his affidavit, Mr. Rosso agrees that Mr. Cutting's companies were appointed by the plaintiff as UK distributor as stated by Mr. Cutting, although he had not recollected this previously. The purpose of his affidavit is to verify the appointment of Mr. Cutting and/or his companies as distributor and to explain why Mr. Cutting had not been mentioned previously.

22. In his replying affidavit, Mr. Schofield Lawley (who by this time has moved on and is now chief commercial officer with Ben Sherman Group, and refers to himself simply as Peter Lawley) confirms that Mr. Cutting's company had been the distributor for the plaintiff in both the UK and Ireland prior to 1989, although he had not recalled this previously.

23. These affidavits gave rise to a further affidavit from Mr. Michael Heery in which he attacks the probative value of the new material sought to be admitted, as well as the justification advanced for not adducing that material in the first instance. At some length, he addresses the fact that it is very surprising that neither Mr. Rosso nor Mr. Lawley had ever previously recalled Mr. Cutting or his companies and even at this stage, it appears that Mr. Rosso does no more than to say that he has no reason to doubt Mr. Cutting's evidence. Similarly, he points out that Mr. Lawley expresses no personal recollection of Mr. Cutting and simply agrees with his averments. He also remarks that it is strange that Mr. Cutting was not familiar with the other named distributor, Walker Webster.

24. Mr. Heery goes on to critique the ABC figures exhibited by Mr. Lesurum in his second affidavit, which he says are intended to explain inaccuracies in the figures giving in his first affidavit. He notes also that as regards his observations of the Irish market in the 1980s and early 1990s, Mr. Lesurum appears to be reliant solely on the recollections of Mr. Rosso and not his own knowledge.

25. He avers that the net result of the material presented in the second round of affidavits is that the plaintiff is able to prove two additional invoices showing sales of just 42 items under its brand in Ireland and five additional advertisements; and that since there was already an acceptance that the plaintiff Company had a very small instance of sales in Ireland, this material adds nothing of value to the appeal. He adds that the affidavits also contain opinion evidence to which Montex would have to be allowed an opportunity to introduce countervailing evidence should that material be allowed.

26. Finally, Ms. Deirdre Fallon delivered a third affidavit on behalf of the plaintiff in order to address an allegation made by Mr. Heery in his second affidavit that para. 6 of the second affidavit of Mr. Lesurum is taken up with explaining inaccuracies in the first affidavit of Mr. Lesurum in relation to circulation figures of magazines in which the plaintiff had advertised.

27. In summary, it can be seen that the plaintiff by this application seeks to adduce the following by way of new evidence for its appeal:-

- (1) Better copies of invoices already submitted in its application;
- (2) New invoices demonstrating sales of just forty-two items during the relevant period;
- (3) Advertisements in various magazines;
- (4) Proof as to the circulation of those magazines in Ireland during the relevant period and;

(5) Affidavit evidence to prove the sales of its products in Ireland during the relevant period and a reputation in Ireland during that period and;

(6) Affidavit evidence to disprove the sale of goods bearing the Montex brand in Ireland during the relevant period.

(7) Documents of public record comprising the certificate of registration of the plaintiff's trademark in Italy, and the certificate of incorporation of Montex.

Statutory Provisions.

30. Section 25(7) of the Act of 1963 provides:-

"Appeals under section 57 of this Act against decisions of the Controller under this section shall be heard on the materials stated as aforesaid by the Controller, and no further grounds of objection to the acceptance of the application shall be allowed to be taken by the Controller, other than those so stated as aforesaid by him, except by leave of the Court."

31. Section 26 of the Act of 1963, so far as is relevant to this application, provides as follows:-

"(7) A person desiring to appeal under section 57 of this Act against a decision of the Controller under this section shall apply to the Controller under subsection (6) of this section for the written statement therein referred to, and on the appeal the Court shall, if required, hear the parties and the Controller and shall make an order determining whether, and subject to what conditions or limitations, if any, registration is to be permitted.

...

(9) On the hearing of an appeal under section 57 of this Act against a decision of the Controller under this section any party may, either in the manner prescribed or by special leave of the Court, bring forward further material for the consideration of the Court."

32. Section 57 of the Act of 1963 provides:-

"(1) An appeal shall lie to the Court from any order or decision of the Controller under any provision of this Act (not being a decision of the Controller under section 11 or subsection (7) of section 69 of this Act) or from a correction of an error in the register by the Controller under subsection (3) of section 42 of this Act, and the Court may make such order confirming, annulling or varying the order or decision or correction of the Controller as it thinks fit.

(2) In any appeal from a decision of the Controller to the Court under this Act, the Court shall have and exercise the same discretionary powers as under this Act are conferred upon the Controller.

...

(4) Subject to subsection (5) of this section, a decision of the Court under this section shall be final and not appealable.

(5) By leave of the Court, an appeal from a decision of the Court under this section shall lie to the Supreme Court on a specified question of law."

33. Order 94, rule 48 of the Rules of the Superior Courts provides that:-

"Every such appeal to the Court shall be by way of rehearing; and, subject to the provisions of the Act, every appeal under section 25 of the Trade Marks Act, 1963, shall be heard on the materials stated by the Controller to have been used by him in arriving at his decision, and every other appeal shall be heard on the same evidence as that used at the hearing before the Controller. No further evidence shall be given nor further material brought forward for the consideration of the Court on the hearing of any appeal without the special leave of the Court granted on an application made at or before the hearing;..."

Submissions

34. There is no authority in this jurisdiction that expressly determines the principles to be applied to applications of this kind. In *Murphy v. Minister for Defence* [1991] 2 I.R. 161, the Supreme Court considered O. 58, r. 8 of the Rules of the Superior Courts which at the time provided that on any appeal from the High Court, further evidence *"shall be admitted on special grounds only, and not without special leave of the Supreme Court"*. Finlay C.J. held that:

"The principles governing the admission of fresh evidence on an appeal to this Court have been set out in the decision of this Court in Lynagh v. Mackin [1970] I.R. 180. Neither counsel for the appellant nor the respondents on this motion has suggested to the Court that any other principles apply, although the Court should review that decision.

I am accordingly satisfied that the principles applicable are as follows:—

1. The evidence sought to be adduced must have been in existence at the time of the trial and must have been such that it could not have been obtained with reasonable diligence for use at the trial;

2. The evidence must be such that if given it would probably have an important influence on the result of the case, though it need not be decisive;

3. The evidence must be such as is presumably to be believed or, in other words, it must be apparently credible, though it need not be incontrovertible."

35. The controller submits that these are the principles that should be applied by this Court in determining whether fresh evidence can be adduced in appeals from decisions of the controller, because the requirement is the same i.e. to obtain special leave. The

controller does however; accept that the test as articulated by the Supreme Court in *Murphy* may be modified to take account of those factors of particular relevance to trademark appeals.

36. In this regard, the Court was referred by all parties to the decision of the English High Court in the case of *Hunt-Wesson Inc.'s trademark application* [1996] RPC 233 (also known as the "Swiss Miss" case) in which Laddie J. proposed the following factors for consideration in respect of applications of this kind in appeals from decisions of the UK Registry of Trademarks:

- (i) *"Whether the evidence could have been filed earlier and, if so, how much earlier.*
- (ii) *If it could have been, what explanation for the late filing had been offered to explain the delay.*
- (iii) *The nature of the mark;*
- (iv) *The nature of the objections to it;*
- (v) *The potential significance of the new evidence;*
- (vi) *Whether or not the other side would be significantly prejudiced by the admission of the evidence in a way which could not be compensated e.g. by an order for costs;*
- (vii) *The desirability of avoiding multiplicity of proceedings and*
- (viii) *The public interest in not admitting on the register invalid trademarks;"*

37. That test was applied in this jurisdiction by agreement between the parties in the case of *Unilever v. Controller of Patents and Sunrider Corporation* [2005] IEHC 426. In applying the test, Laffoy J. stated:

"As a general proposition, I think that the sum of the foregoing factors, if they were accepted as being applicable in this jurisdiction, would provide for a more liberal regime for the introduction of evidence on an appeal from a decision of the Controller than the principles laid down by the Supreme Court in Murphy v. The Minister for Defence [1991] 2 I.R. 161, in relation to the admission of further evidence on an appeal from the High Court to the Supreme Court."

38. Montex in its submissions indicated to the court that it is content to have the matter addressed under the *Hunt-Wesson* criteria on the basis that they reflect a tailoring of the general rules to the particular circumstances of appeals from the controller. The plaintiff also submits to the court that these are the appropriate criteria to apply to such applications.

39. Since the controller does not accept that proposition, and submits that the court should apply the principles set out by the Supreme Court in *Murphy v. Minister for Defence*, subject to appropriate modifications to take account of those factors of particular relevance to trademark appeals, it is necessary for this Court to decide the applicable test.

40. While the controller accepts that the test in *Murphy* may be modified to take account of factors specific to trademark is, he does not advance any suggestions as to what modifications might be appropriate. It is clear from the submissions of the controller that he is concerned that if there is any relaxing of the principles in *Murphy*, in the application of those principles to trademark appeals, this may encourage parties not to put forward all of the evidence that they intend to rely on in their application (or in their opposition to an application), for whatever reason, with a view to adducing that evidence on an appeal to the court, should that become necessary. The controller submits that the admission of evidence following obtaining special leave to do so from the court is an exception to the conventional position and ought to be allowed only in narrowly drawn circumstances. In this regard the controller notes that in the *Unilever* case, Laffoy J. refused the application (when applying the less stringent *Hunt-Wesson* test) and in doing so stated:

"Apart from that, I am of the view that it would create a bad precedent to grant leave on the facts of this case. It would leave an impression that an opponent, in deciding what evidence to adduce on the opposition before the Controller, could take comfort from the fact that it would have an opportunity to mend its hand on an appeal to this court, having seen the decision of the Controller. That is clearly not what the legislature intended in enacting s. 26(9)."

41. In that case Laffoy J. also stated:

"The thrust of the case made in the affidavit grounding this application is that, while the evidence before the Controller on the various issues arising on the opposition supported Unilever's case, Unilever wishes to adduce additional evidence to augment its case on appeal. That is not a basis for granting special leave to adduce further material."

42. Counsel for the plaintiff submits that if the arguments of the controller are accepted, the circumstances in which special leave would be granted would be very exceptional and contrary to the purpose of s. 57 of the Act of 1963. Insofar as the controller submits that the plaintiff by this application seeks to amend shortcomings in its evidence, and that this should not be permitted, counsel for the plaintiff submits that this is the very *raison d'être* of s. 57. Counsel for the plaintiff further submits that there is no basis for the controller's concerns that the admission of further evidence would result in parties withholding evidence or keeping it in reserve, or that it might result in "unwarranted and open-ended" applications as argued on behalf of the controller.

43. Finally, in this regard, counsel for the plaintiff submits that the controller's arguments would confine the grant of leave to cases of discovery of new evidence that was unknown to the applicant at the time of the proceedings before the controller, and that approach is incompatible both with the legislation, and the authorities. It is submitted that the position is not analogous to an appeal from a lower court to the Supreme Court, and therefore, the principles in *Murphy* are not appropriate.

44. Counsel for the plaintiff argues that an appeal from a decision of the controller under s. 57 is a full rehearing, untrammelled by the views of the controller. In this regard counsel for the plaintiff relies upon the decision of Budd J. in *Hamilton Cosco Inc.* [1966] I.R. 266 where he said at p. 268:

"It seems to me, therefore, that I have to exercise my own discretion in deciding this matter and, while paying every attention to what the Controller has said in view of his wide experience in these matters, that I have to form my own view untrammelled by his opinion."

In this regard counsel also places reliance upon the cases of *Seven Up Co. v. Bubble Up Co.* [1990] ILRM 204 and *Cofresco v. Controller* [2008] 2 I.R. 582, a case involving the Trademarks Act, 1996 where Finlay Geoghegan J. stated at p. 286 that:

"It was common case between the parties that, having regard to s. 79 (2) (b) of the Act of 1996, this appeal is a rehearing and that the court must consider and determine the same issue that was before the first defendant, namely the plaintiff's opposition to the registration of the second defendant's trademark. This appears correct."

As regards the admission of further evidence, counsel for the plaintiff submits that the *Hunt-Wesson* principles are appropriate and relies upon the decision of this court in *Bus Eireann v. Controller* [2008] 1 ILRM 428. This case concerned an appeal against a decision of the controller whereby he refused to permit the filing of further evidence pursuant to r. 23 of the new trademark rules. Rule 23 of the new trademark rules states that:

"No further evidence may be filed unless, in any proceedings before the Controller, the Controller gives leave to either the applicant or the opponent to file evidence upon such terms as to costs or otherwise as the Controller may think fit."

The controller himself, in arriving at his decision, applied some of the *Hunt-Wesson* factors (whether the evidence could have been filed earlier; and, if it could, the explanation proffered for not doing so) and Laffoy J. held that the controller was undoubtedly entitled to take these factors into account in considering an application to admit new evidence.

45. Counsel for the plaintiff also relies upon the decision of the Court of Appeal in England in the case of *Club Europe Trademark* [2000] RPC 329 where, in reference to the test proposed by Laddie J. in *Hunt-Wesson*, Scott V.C. stated that he considered Laddie J.'s "check list" of matters to be taken into account as useful and then went on to say:

"I agree that the restrictive principles expressed in Ladd v. Marshall do not apply where the question is whether on a trademark appeal to which O. 55 r. 7 (2) applies new evidence should be admitted. I agree also that the matters referred to by Laddie J. are those that in most cases will be the important ones. I would caution, however, against any attempt to confine the statutory discretion within a straightjacket."

Ladd v. Marshall was the decision that set out the principles ultimately affirmed by the Supreme Court in *Murphy*.

46. Counsel for both defendants rely upon the decision of *Emerald Meats Ltd v. Minister for Agriculture & Ors*, a case in which the Supreme Court was required to decide, inter alia, upon an application for special leave to adduce further evidence pursuant to O. 58, r. 8 of the Rules of the Superior Courts. At para. 36 thereof, O'Donnell J. said:

"The rules on the admission of fresh evidence on an appeal are quite strict. This is as it should be. There are very few cases in which the losing side does not regret that different witnesses were called, evidence given or points made either in cross-examination or in submission. But a trial is not a laboratory experiment where one element can be substituted and all other elements maintained and a different outcome obtained. It is important that parties are aware of the finality of litigation, and bring forward their best case for adjudication. Cases develop organically and unpredictably. One of the benefits which litigation brings at some cost is certainty. A party may reasonably dispute the merits of a conclusion, but cannot doubt that it is a conclusion. The court must make its decision on the evidence and case advanced on the day, or in this case, over the 17 days. It is partly for this reason that the rules and practice of the courts go to such elaborate lengths to attempt to ensure that both sides are fairly apprised of what is in dispute and have an adequate opportunity to prepare for the litigation. It is also why appellate courts have developed rigorous tests on applications to admit fresh evidence. There are few cases which in hindsight could not be rerun with different witnesses, evidence, arguments, or advocates, but to consider that such a course is in the interests of justice is to engage in the delusion that endless litigation is a desirable rather than a tormented state."

47. While in that case the court refused the application, O'Donnell J. did indicate that the test as regards availability of evidence is reasonably flexible. At para. 37 he stated:

"In my view, the test that the relevant evidence could not with reasonable diligence have been available for the trial is a reasonably flexible test. I would not wish to rule out the possibility that where a trial takes an unexpected turn, the mere fact that some information was available and could have been obtained for the trial, should not mean that it should be excluded on an appeal, particularly when the issue may be decisive, the evidence cogent, and its potential relevance could not have been known in advance of the trial."

Analysis and Decision

48. The first observation to be made in connection with this application is that all of the material sought to be admitted by way of new evidence was either available, or could have been obtained, at the time of the making of the original application. No explanation has been advanced to the Court as to why this was not done and there can be no doubt at all, but that this application is a direct response to the decision of the Controller and is brought forward in an effort to address what the Controller considered to be deficiencies in the evidence submitted on behalf of the applicant. The applicant submits that it is entitled to adduce this new evidence on the grounds that the appeal from the Controller to this Court is a full rehearing, "untrammelled by the decision of the Controller" and further submits that the *raison d'être* of s. 57 of the Act of 1963 is to enable parties to adduce further materials to address shortcomings in its original evidence. The applicant further submits that the appropriate test for the Court to apply in considering the application is the *Hunt-Wesson* test. The first named defendant contends that the *Hunt-Wesson* test is not appropriate and that the Court should determine the matter on the basis of the principles set out by the Supreme Court in *Murphy v. Minister for Defence*, modified as appropriate to take account of factors particular to trademark appeals. Both defendants submit that the plaintiff fails to meet the criteria set out either in *Murphy* or *Hunt-Wesson*.

49. Dealing first with the test to be applied, it should be observed that *Murphy* was concerned with an appeal from the High Court to the Supreme Court, as indeed were a number of other authorities relied upon by the defendants, including *Emerald Meats* and *Murphy v. Gilligan and others* [2014] IESC 43. There is a clear difference between an appeal to the High Court, by way of full rehearing and an appeal to the Supreme Court and inevitably the rules governing the admission of new evidence in an appeal to the Supreme Court must be more restrictive. An appeal from the Controller to the High Court is more analogous to an appeal from the Circuit Court to the High Court. In such appeals, Order 61, rule 8 of the Rules of the Superior Courts require special leave of the High Court to submit fresh evidence in an appeal in any action or matter, at the hearing or for the determination of which no oral evidence was given. It appears that where oral evidence was given however, new evidence may be advanced without special leave. Oral evidence was given at the hearing of the Controller by Mr. Patrick McKenna, on behalf of the second named defendant, the purpose of which was to

explain the use of the DIESEL mark by the second named defendant.

50. In *Hunt-Wesson* Laddie J. departed from the principles set forth in the English case of *Ladd v. Marshall* [1954] 1 WLR 1489 (the same principles as those applied by the Supreme Court in *Murphy*) for three reasons:-

- (i) Firstly, refusing permission to an opponent who files evidence late affects not only him but may also penalise the rest of the trade, particularly in circumstances where the applicant was trying to "*monopolise a well known geographical location*" i.e. Switzerland;
- (ii) That admitting the new evidence might avoid further proceedings being taken by the opponent to rectify the register, in the event of the opponent failing in its opposition by reason of the exclusion of the evidence and;
- (iii) The hearing before the High Court is a rehearing.

51. The fact that appeals from decisions of the Controller are to be conducted by way of a full rehearing coupled with the wider public interest both in protecting intellectual property rights in valid trademarks, and in not admitting onto the Register invalid trademarks, suggest to me that the criteria for granting special leave to adduce new evidence on an appeal should not be as rigorous as those that apply in the case of appeals from this Court to the Court of Appeal or the Supreme Court. That said, it is clear that special leave is required and that such applications should not be granted simply on account of oversight or without good reason. The criteria developed by Laddie J. in *Hunt-Wesson*, while presenting a lower threshold for the admission of new evidence, nonetheless require applicants to meet a standard; the adoption of these criteria will not represent a free-for-all on such applications, but will allow for greater flexibility for the treatment of the same, appropriate to the nature of a full rehearing of an application for the registration of a trademark. I cannot accept the argument of the Controller that if the Court relaxes the principles upon which new evidence is adduced in appeals from the Controller, that this may result in parties deliberately not putting forward their best evidence in their application, holding some evidence in reserve with a view to adducing that evidence on appeal to the court, should that become necessary. This is not how parties prepare for litigation and in my view there is no incentive for parties to adopt such an approach deliberately, not least because it would increase the likelihood of an appeal with all attendant uncertainty and expense.

52. Accordingly, I will now move to apply the principles developed by Laddie J. in *Hunt-Wesson* to the categories of documentation the subject of this application:

(i) Whether the evidence could have been filed earlier and, if so, how much earlier?

It is clear that all of the evidence could have been gathered and filed at the time the plaintiff made its application on 11th January, 1994, save for invoices dated 14th January, 1994, but there would have been several opportunities thereafter to file these invoices;

(ii) If it could have been, what explanation for the late filing has being offered to explain the delay?

No explanation has been given and it is clear that the evidence the subject of this application has been unearthed following a root and branch assessment of the plaintiff's records, as a result of the decision of the Controller to reject the application;

(iii) The nature of the mark.

Nothing turns on the particular nature of the mark in this case.

(iv) The nature of the objections to it.

The core of the objection advanced by Montex is that it had first use of the mark in Ireland. The dispute between the parties centres around the extent of the usage of the mark by the parties and when it commenced. This factor would tend towards the admission of much of the evidence.

(v) The potential significance of the new evidence.

The overall impact of the evidence which it is sought to adduce is to create a picture of a low level of sales and marketing activity for the plaintiff's products in Ireland during the years 1982 – 1994. The additional invoices and advertisements, as well as the evidence relating to circulation figures of magazines, may well have an important contribution to make to the outcome of the application, even though it may not be decisive. The affidavits of Mr. Cutting and Mr. Shanahan would also be influential to the extent that they help to demonstrate the presence in the Irish market of the plaintiff's DIESEL products from the early 1980s onwards.

(vi) Whether or not the other side would be significantly prejudiced by the admission of the evidence in a way which could not be compensated e.g. by an order for costs.

It is difficult to see how Montex could be prejudiced by the admission into evidence of invoices, advertisements and evidence as to sales in Ireland (during the relevant period) of publications in which the plaintiff advertised. In the case of invoices and advertisements, such documents merely reflect transactions that occurred and speak for themselves. They do not require any reply from Montex, at least in the form of any proofs that might be difficult to obtain after the passage of so much time. Information as to circulation of publications may be helpful to the court, as otherwise the court is unlikely to know the extent of the circulation in Ireland of the publications in which advertisements were placed. This is not helpful to either party. The evidence of Mr. Cutting and Mr. Shanahan has the capacity to be prejudicial in a way which cannot be compensated, insofar as both Mr. Cutting and Mr. Shanahan say that they have no recollection of the sale of products bearing the DIESEL name during the relevant period. Moreover, at this point in time, some 22 years after the filing by the plaintiff of its application, it is probably impossible to obtain any credible evidence to contradict the evidence of Mr. Cutting and Mr. Shanahan, although that is not to say that their evidence would be accepted by the court at face value at the hearing of the appeal. In fact, their evidence in this regard may have very limited value to the plaintiff's case given that this Court has already found that Montex had established a sufficient user prior to the date of its application to entitle it, *prima facie*, to be registered as owner of the mark.

(vii) The desirability of avoiding multiplicity of proceedings

It is somewhat unclear if this is a factor in this case, but if the DIESEL is excluded and the plaintiff's application fails, it is not improbable that the plaintiff would, at least, consider advancing a new application to be registered as owner of the mark in which it would include the evidence not admitted. However, I am not inclined to rate this as a significant factor in the consideration of this

application.

(viii) The public interest in not admitting on the register invalid trademarks

This is not a factor in this case because it is the applicant who is making the application and not the opponent. So there is no question of admitting an invalid mark on the register. However, there is another public interest at play and that is the public interest in affording protection (to those entitled to such protection) to intellectual property rights.

53. Invoices and advertisements already form part of the plaintiff's application. It is likely that what was submitted and before the Controller as part of the application were intended to be no more than representative samples of such documentation. In that sense, what the plaintiff now seeks to adduce in these categories is not so much new evidence, as additional evidence of a kind already submitted. In the unusual circumstances of this case, the plaintiff also had the additional comfort of the finding of the High Court (at least from the date of that decision, if not at the date of the application) that the plaintiff had established a sufficient user of the mark prior to the Montex application date (18th September, 1992) to have locus standi to oppose the Montex application. Having regard to all of this, and to the fact that Montex cannot be prejudiced by the admission of these additional documents, I am prepared to accede to the application to admit all additional invoices and advertisements exhibited on behalf of the plaintiff in this application.

54. As regards the evidence of circulation of the various magazines and publications in which the plaintiff advertised, in my view this material should be admitted because it is in aid of the court to know the extent to which these publications had circulation in Ireland at the relevant time.

55. I think it would be consistent with the above, to allow into evidence also the two letters of 4th December, 1995 and from Mr. Sopp and Mr. Rahaman to Diesel (London) and Mr. Peter Lawley respectively.

56. As regards the affidavits of Mr. Lesurum and Mr. Shanahan, I do not believe that these should be admitted into evidence. In his affidavits, Mr. Lesurum makes averments regarding the plaintiff's reputation in Ireland that are of a most general kind and which are clearly based on hearsay. To be clear, the exclusion of the content of Mr. Lesurum's affidavits is obviously not intended to exclude the admission of exhibits to his affidavits, which I have already allowed.

57. The affidavit of Mr. Shanahan, which is dated 21st February, 2014, was procured from him in his capacity as a person who has worked in the fashion industry for more than 30 years. There is no reason why such an affidavit could not have been procured at the time the plaintiff originally made its application when the evidence therein would have been almost contemporaneous to the period to which it relates. As it is, this evidence depends upon the memory of Mr. Shanahan in 2014 of the market for casual clothing in Ireland before 1992. Not only is this unsatisfactory but Montex would clearly be prejudiced by the admission of such an affidavit as it would have to identify a person with similar experience in the fashion industry who was willing to depose as to the market place between 1978 and 1992. Even if Montex could obtain an affidavit from such a person, the reliability of any such evidence would be highly questionable.

58. As to the affidavit of Mr. Cutting, it is regrettable that the plaintiff was unable to identify its own distributor in Ireland before 21st February, 2014, which is also the date of his affidavit. The court was informed that he was identified following a trawl by the plaintiff through its' files which means that he could have been identified at the time that it originally made its application.

59. Insofar as Mr. Cutting avers that he can "categorically" state that the Montex brand was not for sale in Ireland when he was visiting Dublin between 1983 to 1989, his affidavit is of limited use having regard to the earlier finding of this Court that Montex had established, in the context of its own application for registration of the mark, sufficient user of the mark to constitute a *prima facie* entitlement to registration of ownership of the same, and only failed in its application because of the finding of this Court that it had not acted in good faith. The affidavit is however of more significance in its treatment of the sales of the plaintiff's products between 1983 and 1988. If the Court in hearing the appeal accepts Mr. Cutting's evidence, then that evidence may well be of significance even if it does not turn out to be decisive. This is not evidence that in my view prejudices Montex because it is not evidence of a kind to which Montex could reply (even if it had been delivered at the time the plaintiff originally made its application) because it reflects the trading activities of Mr. Cutting's company. Montex will however, be able to test the evidence upon cross-examination of Mr. Cutting. It seems to me that to exclude the evidence of a person who claims to have been a distributor of the plaintiff during a period that is critical to the plaintiff's application would be unfair and wrong and accordingly, I will permit the plaintiff to adduce this evidence.

60. Finally, there is the evidence comprising the certificate of registration of the plaintiff's mark in Italy and the Montex certificate of incorporation. These are documents of public record the admission of which could not possibly prejudice Montex and in any event I fail to see why documents of public record of this kind should ever be excluded from presentation to the court.