

THE HIGH COURT

2008 No. 191P

BETWEEN

IRISH DISTILLERS LTD

PLAINTIFF

-v-

COOLEY DISTILLERY PUBLIC LIMITED COMPANY

DEFENDANT

Judgment of Mr Justice Roderick Murphy dated the 4th day of July 2008.**1.1 Pleadings**

1. By plenary summons dated the 10th January 2008 the plaintiff sought an injunction restraining the defendant from infringing the copyright of the plaintiff in the label of the plaintiff's Jameson Irish Whiskey including by the production and distribution of the label appearing on the defendants St. Patrick Irish Whiskey. The plaintiff also sought ancillary orders and damages.

2. The plaintiff's label was registered by the Office for Harmonisation in the Internal Market on the 23rd March, 1998, number 0099887 and containing the following words in different fonts as scheduled to the plenary summons.

3. The words are as follows:-

"John Jameson & Son
established since 1780
sine metu
Irish whiskey
distilled, matured and bottled
in Ireland by
J.J. and S. John Jameson and Son
Bow Street,
Dublin 7."

4. The bottle together with label, epaulette and cap were the subject of registration bearing number 001605625 and registered by the Office for Harmonisation in the Internal Market on the 9th July, 2001. The description in English was as follows:-

"Bottle: green; label: green, cream, black, gold, white, burgundy. The registration was in respect of whiskey."

1.2 Statement of Claim

5. By statement of claim delivered the 7th February, 2008, the plaintiff pleaded that it was the owner of the copyright subsisting in respect of the Irish Whiskey label depicted in the first schedule ("the Jameson label") by virtue of that label being an original literary and/or artistic work (or, strictly without prejudice to the foregoing, comprising literary and/or artistic works) within the meaning of the Copyright and Related Rights Act 2000 and was the proprietor of the community trade mark registered under number 99887 (Jameson label) and number 1605625 (Jameson bottle) pursuant to the Community Trade Mark Regulation 40/94 (the Regulation).

6. The plaintiff pleaded that it possesses a very substantial reputation and goodwill associated with the get up of its Jameson range of Irish whiskey products and, in particular, the Jameson label. In the year ended December 2007, worldwide sales were in excess of the thirty two million standard bottles. In the fiscal year ended June 2007, some €56,000,000 was spent on advertising of Jameson Irish Whiskey products worldwide. The Jameson label featured prominently in a substantial portion of the plaintiff's advertising.

7. It was pleaded that the get up of the plaintiff's Jameson range of Irish whiskey products and, in particular, the Jameson label, constituted well known marks within the meaning of s. 6(1) of the Trade Mark Act, 1996 and that the defendant had infringed the plaintiff's copyright in its Jameson label, the plaintiff's community trade mark and the plaintiff's well known marks and, further, had passed off its goods as being those of the business of the plaintiff.

8. The defendant, a company incorporated with limited liability with its registered office at Riverstown, Dundalk, Co. Louth carries on the business of the production of Irish whiskey, in so far as relevant, under the brand name "St. Patrick" at its premises in Co. Louth.

9. The defendant admitted that its St. Patrick Whiskey was being bottled by it with the get up and labelling as depicted in the 3rd Schedule, the rights of which are as follows:-

"ST. PATRICK
5, April, (RED CREST) 433 AD
IRISH WHISKEY
Distilled, blended and bottled in Ireland
...
Cooley Distillery plc, Co. Louth, Ireland.

Established 1987

Traditional distillation.”

PRODUCT OF IRELAND

10. It is pleaded that the defendant admitted to receiving orders for the whiskey and that the bottles had been “sold and shipped for the Russian market”, in which market they were sold by a Russian business. It was pleaded that the defendant intended to continue to sell to the Russian market.

11. The particulars of the infringement was that the label on the St. Patrick’s whiskey, as depicted, constituted a copy of a substantial part of the Jameson label. In producing the labels for application to the St. Patrick whiskey bottles without the plaintiff’s consent, the defendant was making copies of the Jameson label in the State and thereby infringing the plaintiff’s copyright contrary to s. 31(1)(a) of the Act of 2000, as inserted by s.89 of the Industrial Designs Act 2001. There was a likelihood of confusion on the part of a substantial section of the public and the trade, including a likelihood of association, contrary to Article 9 (1)(b) of the Regulation.

12. The plaintiff’s community trademarks have a reputation in the community and in using the get up and labelling of its St. Patrick’s product the defendant is in the community (in particular, the State) without any legitimate cause taking unfair advantage of, and acting to the detriment of the distinctive character and the reputation of the plaintiff’s community trade marks contrary to Article 9(1)(c) of the Regulation.

13. The defendant’s wrongful use of the get up and labelling of its St. Patrick’s product included, contrary to Article 9(2) of the Regulation:-

“The application of that get up and labelling by the defendant to the bottles of St. Patrick whiskey in the State, the offering and putting on the market of those bottles, and the stocking of them for those purposes, in the State; and the export of these bottles of St. Patrick whiskey from the State.”

14. In using the get up and labelling of its St. Patrick’s product, the defendant was using in the State a trade mark which was similar to the plaintiff’s well known marks in respect of Irish whiskey, and there was a likelihood of confusion on the part of a substantial section of the public and the trade. The defendant was producing and dealing in a product in the State, this served to misrepresent to a substantial number of potential or actual customers of the plaintiff, members of the trade and public in Russia, that the defendant’s products are the produce of the business of the plaintiff, and the defendant is thereby acting contrary to common law. The plaintiff apprehends that, in the future, potential or actual customers may include members of the public and trade located elsewhere.

15. In the event that it were established that the relevant acts of the defendant were not taking place or would not take place in the State but in Russia, it was contended that the acts were, in addition to being actionable in this State, also actionable in Russia pursuant to the laws of Russia.

16. The plaintiff’s particulars of loss and damage are based on the understanding that the defendant had sold and shipped 7,000 cases of St. Patrick whiskey to Russia from September 2007 to mid January 2008 and that it had large orders for a further 7,000, annualising to about 25,000 cases, which represented a very large volume of Irish whiskey sales even in the rapidly expanding Russian market. The defendant’s conduct had very significantly damaged the value of the plaintiff’s copyright and would continue to do so. The defendant’s conduct also impaired the development of the goodwill and reputation associated with the plaintiff’s registered and unregistered marks, would dilute the value of those marks and would continue to do so. The plaintiff would lose control over the quality of the goods associated with its marks. The plaintiff apprehended that it would continue to suffer loss and damage unless the wrongful acts of the defendant were restrained by the Court.

1.3 Notice of Motion

17. By notice of motion dated the 21st January 2008, the plaintiff sought injunctive relief and an order directing the defendant to disclose the whereabouts of all labelling and packaging of the St. Patrick whiskey and all information in documentary form in its possession or procurement which identifies or assists in identifying those who are involved in any activities which might infringe or might have infringed the plaintiff’s right, including any and all dealings with the company Rotor House, in relation to the St. Patrick whiskey.

2.1 Grounding affidavit

18. The grounding affidavit of Ben O’Beirne, company secretary of the plaintiff, deposed to the plaintiff’s belief that the use of the label by the defendant on its St. Patrick product infringed the copyright and the registered and unregistered trademark rights of the plaintiff in its Jameson label. That use in its present form served to create in the minds of a substantial section of both trade and end purchasers a wholly false impression that St. Patrick Irish Whiskey is an addition to the Jameson family of Irish whiskey products.

19. He and his colleagues believed that there was little alternative but for them to conclude that the presentation of the St. Patrick label had been deliberately adopted so as to take advantage of the goodwill and reputation of the Jameson label. This belief was founded on a combination of circumstances detailed in Mr. O’Beirne’s affidavit.

20. Mr. O’Beirne said that the extent of the similarities between the St. Patrick label and the Jameson label was such that the defendant in his view must have been fully cognisant of the latter in designing the former.

21. The enormous range of alternative styles of presentation open to the defendant in designing the get up of the St. Patrick product, as illustrated by the range of get ups of Irish whiskey products presently on the market was a further factor.

22. Moreover the fact that the marketing material distributed to the trade in Russia contains the express statement that “St. Patrick must be placed on the shelves only next to Jameson” was also significant.

23. Mr. O’Beirne referred to an incident witnessed by a Russian representative, a Mr. Gorokhovskiy of Pernod Ricard Rouss (Company), of St. Patrick Irish Whiskey being supplied in a bar in Perm, on the basis that it was a substitute for Jameson Whiskey.

24. The plaintiff had sought an undertaking from the defendant in a letter dated 11th December, 2007, *inter alia*, to undertake not to supply products with the offending label. The defendant refused to provide any undertakings and denied that the label complained of

was at all similar to the plaintiff's Jameson label. The plaintiff was left with no option but to issue proceedings.

25. Mr. O'Beirne said that the plaintiff recently terminated its distribution agreement with Rotor House, a Russian distributor. Rotor House now appeared to be distributing a new Irish whiskey called St. Patrick, on behalf of the defendant, with a label that he said has been copied from the defendant's Jameson label. No other whiskey on the national or international market has a similar label.

26. The sale of the St. Patrick product had been low key with no reference to it on the defendant's website or any material or reports published by the defendant. The plaintiff is not aware that it is being sold other than in Russia.

27. The defendant had argued that the characteristics of the label "are necessarily generic", effectively arguing that no intellectual property rights attach to them. The defendant refused to engage in any further meaningful dialogue in relation to the matter and confirmed that it would continue to produce the St. Patrick product with the alleged infringing label. The similarity of the labels was such as to allow the promoters of the St. Patrick product to convince trade customers and end consumers in Russia that St. Patrick is a product from the Jameson brand, and the promoters are in fact doing so.

28. Mr. O'Beirne referred to the history of the Jameson brand and its recognition as being one of only two Irish brands to be rated in the top one hundred spirit and wine brands in the world in 2007, alongside Bailey's. In 2006/2007 the worldwide sales of Jameson Irish Whiskey products were in excess of 2.3 million cases, which was an increase of 11 % on the previous period. The Russian market was a major contributor to this growth with sales there up 80 % on the previous period.

29. The plaintiff was part of a major international group, Pernod Ricard Rouss, which continued to spend significant sums of money on protecting their intellectual property rights. The branding on drinks products were of huge importance to the drinks industry which is responsible for creating some of the most instantly recognisable brands throughout the world. In that period, the plaintiff spent over €50,000,000. worldwide on its marketing campaigns relating to the Jameson brand. In addition it was also heavily involved in lending the Jameson brand to sponsorship of film festivals worldwide and also to having one of Dublin's most successful visitor attractions, all of which contributes to achieving widespread brand recognition of Jameson premium Irish whiskey products.

30. As a result, huge importance is attached to the Jameson label by the plaintiff and to the significant investment that the plaintiff has made in it over many years in expending significant skill and effort in devising the detailed and distinctive Jameson label that appears on its bottles. The contemporary Jameson label was launched in 1968 and has therefore been used to promote the Jameson products for 40 years. The defendants would at all times have been aware of the Jameson label which, the deponent believed, was copied for the purpose of producing the label of its St. Patrick's product. He was advised by the plaintiff's legal representatives that the Jameson label is a copyright work under copyright legislation and that the plaintiff is the owner of that copyright.

31. He referred to the European Community trademark in respect of the label and the bottle. The label and the bottle is registered in Class 33 in respect of whiskey. The label was registered with green, cream, black, gold, white and burgundy.

32. The label on the St. Patrick product had been clearly copied from the Jameson product – it has exactly the same lay out of the various elements of the label that the Jameson product has.

33. As company secretary of the plaintiff, it came to his attention, in September 2007 that a new whiskey product was available for sale in Russia under the name St. Patrick, with the same label. It was confirmed to the plaintiff by Yuri Tint, the brand manager of its sister company Pernod Ricard Rouss, that their sales representative initially came across marketing material for the St. Patrick brand in a supermarket in Russia. The launch of the St. Patrick brand was not supported by media advertising in Russia as would be the case with the launch of a new drinks product.

34. He referred to the marketing and promotional materials and to the heading "St. Patrick distribution standards" which stated that:-

"St Patrick must be placed on the shelves only next to Jameson and retail price is to be 18 % lower than Jameson."

35. He believes that the placing of the St. Patrick brand next to Jameson brand would lead to the greatest possible amount of confusion.

2.2 Reference to correspondence in grounding affidavit

36. Mr. O'Beirne referred to a list of the similarities in the exchange of correspondence between the plaintiff and the defendant as follows:

- i) the brand name "Jameson" is displayed in an arc at the top of the plaintiff's label. The name "St. Patrick" is displayed in an arc at the top of the defendant's product;
- ii) the lettering of the word "JAMESON" is in capital letters in a distinctive dark font outlined in gold which leads to a three dimensional effect. The lettering of the words "St. Patrick" is also in a dark font outlined in gold which leads to a three dimensional effect;
- iii) the dominant part of Jameson label is a light yellow/cream colour. The strip on the bottom of the label is a dark shade of green. The dominant part of the St. Patrick label is also in a light yellow/cream colour. The strip on the bottom of the St. Patrick label is also a dark shade of green;
- iv) the Jameson label is bordered with green, followed by another border of white and gilt borders of differing sizes. The St. Patrick label has also inner borders of white and gilt in differing sizes and is also bordered at its top and bottom with green;
- v) The Jameson label features a device that is bright red in colour and contrasts strongly against the lighter background colour. The St. Patrick label also features a device of similar size, colour and depiction, which is bright red in colour and contrasts strongly against the lighter background colour. Both devices appear on the same part of each label (i.e., a third of the way down the label);
- vi) The wording "established since 1780" is written in italics on either side of the Jameson crest. The St. Patrick label avails of a similar use of a date, with the words "5, April 433AD" appearing on either side of its crest;
- vii) The words "IRISH WHISKEY" appear in dark font block capital letters just below the centre of the Jameson label. The

words "IRISH WHISKEY" also appear in dark font, block capital letters just below the centre of the crest on the St. Patrick label;

viii) The language describing the distilling of the whiskey utilises a distinct italic font on the plaintiff's label, adjacent to "IRISH WHISKEY". The language describing the distilling of the whiskey on the St. Patrick label utilises a similar italic font, with the lettering also appearing adjacent to "IRISH WHISKEY";

ix) The words "PRODUCT OF IRELAND" are in gold, capital letters in the middle of the green strip at the bottom of the plaintiff's label. The words "PRODUCT OF IRELAND" are also in gold, capital letters in the middle of the green strip at the bottom of the St. Patrick label.

2.3 Reference in affidavit to independent marketing expertise

37. Mr. O'Beirne refers to the affidavit of Richard Tierney, an independent marketing expert with over twenty years experience in the brands industry, who confirmed that in his experience, it is the labels of products that are the primary distinguishing feature. In this case he believes the Jameson label and the label of the St. Patrick product are confusingly similar and, having regard to his very extensive experience in the market place, the label of the St. Patrick product would lead to it being regarded by a substantial number of people as a new product in the Jameson Irish Whiskey range.

2.4 Reference to distinguishing features

38. Mr. O'Beirne said that there were, of course, distinguishing elements between the various whiskey brands, for example, those that related to the size or shape of the bottle. There was no difference, however, between the size or shape of the Jameson bottle and that used for St. Patrick. The former is green and the latter clear.

39. The defendants had placed emphasis on the argument that the names of products sufficiently distinguish them. The name St. Patrick was not indicative of origin and had no reputation or goodwill on its own, having only recently come to market. The indicator of origin on the St. Patrick label is the reference to Cooley distillery which appears in very small type. Any perceived significance of the names of the products as a distinguishing feature is negated by the fact that, arguably, the majority of Russian consumers will not be familiar with the English alphabet and therefore attach less significance to the brand name and more to the overall get up of the product. Because the plaintiff's trade address is used, purchasers will simply think that St. Patrick is a product of the plaintiffs. This is particularly so when the St. Patrick product was sold beside that of Jameson.

40. The relevant marketing practice and behaviour was that when the product appeared in the off-trade, the purchaser in picking them up would be unlikely to give detailed consideration to the product but will look to its general get up and appearance. It is very likely that a purchaser would simply pick up the St. Patrick product because it is cheaper, thinking that it is from the same source as the Jameson product.

2.5 Damages

41. The plaintiff believed that damages would not be an adequate remedy as the plaintiff goodwill would continue to be interfered with in a manner which would be impossible to assess, and not capable of adequate compensation in damages. The plaintiff had no control whatsoever over the quality of the defendant's product.

42. Mr. O'Beirne provided an undertaking as to damages, having been authorised to do so on behalf of the plaintiff.

2.6 Exhibits

43. The first exhibit showed the St. Patrick product in clear glass surrounded by two Jameson products on either side, all four of which were in green bottles.

44. The second exhibit showed a range of 23 Irish whiskeys with different shaped bottles most of which were clear glass which showed a range of alternative styles of presentation and get up of Irish whiskey products presently on the market. St. Patrick was not included.

45. The court observes that if the St. Patrick product had been included in the line up of the 23 current Irish whiskeys on the market, as illustrated in exhibit 10'B2 to the affidavit of Ben O'Beirne, its label would appear to be closest to that of Jameson, and though to a lesser extent, to the slightly rounded label of Jameson Special Reserve. That, in itself, is not necessarily decisive as there is a notable difference was the name and the clearness of the glass bottle.

46. The third exhibit lists the 20 most well known whiskey brands with Jameson occupying the tenth place. Within the world's most well known spirit and wine brands Jameson is at 30.

47. A further exhibit shows the growth of consumption of Irish whiskey in Russia from 1997 to a forecast for 2007 showing an accelerated increase for 2002 – 2006 over 1997 – 2006.

48. The copy of the marketing and promotional material of the defendant (10'B7) claimed that St. Patrick, the patron of Ireland of the fifth century, produced whiskey for the first time in history and that the first whiskey distillery was also set up in Ireland. The second page refers to the distribution standards. Under "merchandising:" it is stated:-

"St. Patrick must be placed on the shelves only next to Jameson. Minimal range: 0,35 0.5 and 0.7 (gift package)."

49. Under the words "Price policy:" it is stated:-

"Retail price is to be 18 % lower."

2.7 Proposed affidavit of Mr. Gorokhovskiy

50. The deponent of an unsworn affidavit exhibited in Mr. O'Beirne's affidavit said that on the 29th November, 2007, he visited a night club in Perm with a Scottish colleague from a subsidiary of Pernod Ricard Rouss. They both ordered Jameson and Coke. Jameson was listed on the bars menu as the only Irish whiskey available. However, after placing their orders he noticed that the bartender was pouring them a whiskey called St. Patrick instead of Jameson. Having approached the bartender and queried the matter she replied she had understood that St. Patrick and Jameson were the same. The receipt referred to the sale of Jameson and Cokes rather than

St. Patrick and Cokes. The draft affidavit was in the course of being sworn and the court, admitted it on the undertaking on behalf of the plaintiff to have it sworn and filed and their being no objection, Ciara Cullen, by affidavit sworn on the 18th January, 2008, referred to the confirmation by Mr. Gorokhovskiy that he was in the process of swearing a certified English translation to complete the process of his affidavit.

2.8 The correspondence was also exhibited between A& L Goodbody on behalf of the plaintiff and the defendant's company secretary from 11th December, 2007, together with a reply from McEvoy & Partners on behalf of the defendants dated the 17th December, 2007, with a further reply dated 20th December, 2007.

51. At para. 36 of his affidavit Mr. O'Beirne concluded that:-

"The plaintiff is of the view that the defendant may have believed that its actions would avoid all liability in this jurisdiction by virtue of the immediate export of the products."

3. Affidavit of Richard Tierney

52. Mr. Richard Tierney, is managing director of M2M Communications Ltd. His affidavit sworn on the 11th January, 2007, referred to the creation and development of a strong brand identity for a product as being of particular importance and a significant financial asset.

53. He stated that a brand is a name, symbol, design, device, or get up, or a combination of these, which identify the goods of a particular producer and distinguish them from those of any other producer. Branding is intrinsically linked with the origin of product and also with associations of quality and consistency. Successful branding leads to brand loyalty. Consumers who have a positive impression of a brand will return to purchase that product again and again. Brand loyalty is particularly commonplace where products are bought on a routine or frequent basis.

54. He was aware of the products sold by the plaintiff with branding used in the labelling of the bottles.

55. He reviewed the St. Patrick Irish Whiskey label and believed that it was similar to the extent that confusion as between the two products was likely to occur in the marketplace. It was his strong view that many purchasers would assume the two products were from the same stable, namely Irish Distillers. It was his opinion that the St. Patrick label could not have been arrived at save by way of copying from the Jameson label and referred to the "eyebrow", i.e. how the "Jameson" name appears and the "heritage" i.e. the red device and its surrounds appear to him to have been taken from the Jameson label as a whole and replicated on the St. Patrick label.

56. He illustrated instances; a typical situation where the risk of confusion was likely to arise was in bars and also in supermarkets or off-licences where reliance would be placed on the label.

57. Although the names of the products were different, this would not, in his view, have a material impact on the risk of confusion. The St. Patrick product has sufficient other similarities to an existing product on the market. Moreover in a non-English speaking country, where the words do not have an immediate mother tongue impact, name becomes less distinctive and other factors such as general get up and trade dress come into play.

4. The respondent's reply

4.1 David Hynes, Company Director, is the managing director of Cooley Distillery plc; the defendant and replied to the affidavits of Ben O'Beirne and Richard Tierney.

58. The defendant denied that it had infringed any intellectual property or other rights alleged by the plaintiff and regarded the proceedings as being completely without foundation and an abuse of process. He said that it is highly significant that the plaintiff had not seen fit to inform the Court whether there was any basis for its supposed grievance under Russian law. The plaintiff knew that the defendant did not sell its St. Patrick whiskey in Ireland. It was surprising that there was an allegation of engaging in "the common law offence of passing off" without satisfying the Court that Russian law recognises something akin to passing off.

59. The defendant rejected the charge that it had infringed the alleged copyright of the Jameson label. The plaintiff did not identify the person or persons who are alleged to have authored the label, when the supposed work was alleged to have been created or how the alleged Copyright thereon came to vest in the plaintiff.

60. Mr. Hynes says that the differences between the products are such that no-one either in Ireland, Russia or elsewhere, could be confused between the two. The only thing they have in common is that they are both brands of Irish whiskey. He believed that the proceedings had been commenced with a view to deploying the considerable might and resources of the plaintiff towards repressing and undermining a competitor in respect of supposed grievance which was contrived.

4.2 Operation of Cooley

61. He outlined the operation of the defendant since 1989, its funding, branding and own label and private label operations. It commenced its operations in 1988, had now 65 employees in the distillery at Riverstown, Co. Louth, warehousing in Kilbeggan and sales and marketing office in Dublin. It operated at a loss until 2001. In its most recent financial year it had a profit of circa €1.5 million and net assets in excess of €16.5 million. Approximately 60 % of its sales are to the non branded market. The income from products like St. Patrick, while not as high a margin as branded products, are an essential part of the defendants sales strategy in income. It has won a number of gold, silver and bronze medals for quality which confirmed the growing reputation of its Irish whiskey.

62. The private label sales of 20% typically require the defendant to have little or no input into the name, label and general get up. Normally the third party provides a specification as to the name, label, design and bottle shape it requires.

63. In early 2007 the defendant was approached by Rotor House, a Russian distributor, for a private label Irish whiskey for the Russian market. Rotor House was at that time a distributor of Jameson Irish Whiskey for the plaintiff in Moscow. Rotor House was solely responsible for coming up with the name, label and general get up of the St. Patrick brand which was designed by Brandship Studio in Russia and was not copied from the Jameson label. A letter, undated, from the general director of Brand Ship Studio Ltd. stated as follows:-

"this letter is to confirm that the general look of Jameson Whiskey, or its individual graphic features DID NOT INFLUENCE the marketing and overall design of St. Patrick Whiskey.

There has been no copying or intention to do.

The design of St. Patrick Whiskey label is governed by generally accepted and traditional design solutions for labelling of such products.

Yours sincerely,

Korshunov, Michael,

General Director

"Brandship Studio" Ltd."

4.3 Launch of St. Patrick

64. Mr. Hynes referred to the launch and marketing of St. Patrick at the International Trade Fair in Moscow on the 10th February, 2007, where two named Pernod Ricard Rouss managers visited the stand and saw the design of St. Patrick. Information on St. Patrick was contained in the Rotor House 2007 catalogue available widely throughout Russia.

65. Information about St. Patrick was published on the Rotor House website on the 21st August, 2007. Print-outs were exhibited in Russian in relation to St. Patrick among the following other whiskeys: Scottish Collie, Teachers, Laphroaig, Famous Grouse, Jim Beam and Maker's Mark.

66. A press release concerning St. Patrick's was issued by Rotor House in October, 2007.

67. The design of the label was, therefore, on display several months before the product had even been shipped to Russia. He believed that it was astonishing that the plaintiff did not raise its purported grievance earlier. The production, launch, sales and marketing of St. Patrick was not clandestine or underhand. The label clearly states the defendant's name and the sale of the product is and has always been open and transparent.

68. Mr. Hynes says that the defendant did not believe that it had any liability to the plaintiff. Accordingly no question of avoiding liability in this jurisdiction ever arose.

69. The decision not to mount an extensive marketing campaign was a decision made by Rotor House. The defendant took no responsibility for marketing. It was usual to launch a product and establish its potential before launching an extensive marketing campaign, particularly for companies that do not have vast financial resources. Moreover, the defendant generally did not advertise private label products on its website with the exception of one private label brand at the request of the particular brands distributor.

70. It was commonplace for all Irish products to be grouped together on shelves where they are sold abroad, as happens with Scotch whisky. It would be completely inappropriate for St. Patrick, as an Irish whiskey, to be placed with a Scottish or American whisky, as these are different products. The defendant's distributor has a commercial policy of seeking to ensure that its merchandise is placed next to the brand leader, i.e., Jameson, for an Irish whiskey, in Russia. This is a common commercial decision made by distributors to maximise the sales of the products they are selling. It is nothing to do with "confusion" or "piggybacking on a competing products goodwill and reputation" as is alleged by Mr. O'Beirne, but is all to do with good marketing practice which promotes side by side comparison in such a way that differences are likely to be immediately apparent to consumers.

71. Mr. Hynes adopted the observation made by the defendant's solicitors in their letter of the 17th December, 2007, which stated:-

"there are many notable differences between the bottle, etc. I enclose this page as paragraph 22 of the affidavit. At number ten "PRODUCT OF IRELAND" is written in gold on a green background in one line on the St. Patrick bottle and written in two lines on the Jameson bottle."

72. Mr. Hynes said that there were a number of other very distinctive features of both products including the lettering of the word "St. Patrick" which was in green and embossed, as the brand names of most labels on products produced by the defendant are embossed. The lettering of the word "Jameson" is in black and not embossed. The St. Patrick emblem is bright red in colour while the Jameson emblem is maroon.

73. He accepted that the labels have the word "PRODUCT OF IRELAND" printed on a green background. Green is a colour internationally associated with Ireland.

74. Both labels have gold bordering as do a number of other Irish whiskeys such as Tyrconnell, Powers, Bushmills, Millers and Brogans. He referred to photographs exhibited of whiskeys bordered in gold such as "Murrays", "Powers", "Tyrconnell", "Bushmills", "Millers" and "Brogans".

75. The colouring of the two bottles was a highly significant distinguishing feature that differentiated one product from another of family products. St. Patrick was a clear bottle that was evidently not from the same family as Jameson. He denied any suggestion that the St. Patrick label created a false impression, that it was an addition to the Jameson family of Irish products, or that the presentation of the label was deliberately adapted so as to take advantage of the goodwill and reputation of the Jameson label. He said there were an enormous range of styles of whiskey bottles and labels. St. Patrick's bottle and label was a distinct design.

76. He said that it was incorrect to claim that no other whiskey on the national or international market had a similar label to the Jameson label. A number of whiskeys exhibited in 10'B2 of Mr. O'Beirne's affidavit had a label which contained the name of the product in an arc, a crest or emblem of the product beneath the arc, and writing below the crest or emblem, such as Redbreast, Powers, Tyrconnell, Millers, Murrays and Michael Collins. All the labels contain details of the product and state that it is made in Ireland. Labels for whiskey bottles are necessarily generic in that they state the name of the brand and the type of products being sold. In this regard he referred to copies of photographs of Irish whiskey labels including Bowmore, Jack Daniels, Redbreast, Aberlour, Locks, Early Times, Old Sheriff, The Irishman, and John Powers. Teachers is also included in that exhibit where the word Teachers is not in an arc but Highland Cream is in an arc over a crest.

4.4 Russian Institute Report

77. Mr. Hynes exhibited an Opinion and Decision of the Russian State Education Institute of Intellectual Property furnished by the legal advisers of Rotor House, dated the 21st November, 2007. The report is in English. The document is a report on the extent of the similarity of features in the labelling of the whiskey "St. Patrick", and the verbal indication of "Jameson" or the features used in the labelling of "Jameson" whiskey.

78. Reference was made to the Russian Federation Law of 23.09.1992, No. 3520-1 "trade marks, service marks, and appellations of origin". The rules of Rospatent

79. No. 32, (25.03.2003) and certain technical recommendations were considered.

80. The multi component combination of signs of St. Patrick were analysed. A similar exercise was carried out on the label of Jameson.

81. The decision examined the comparison of verbal elements of the labels and concludes that there was no sound (phonetic) similarity, no graphic similarity, and no semantic similarity between the labels.

82. A further examination looked at the similarity of graphic elements and, noted from a comparative analysis of the elements of the graphic design, that different colours were used for the main graphic elements and that there were considerable differences between the representation of the emblem and the coat of arms. Finally there were different associations in connection with the picture of a sailing vessel and a flying ribbon in the one case and people framed by a canopy on the other label.

83. The report stated:-

"In accordance with technical recommendations and multi component combinations, consisting of graphic and verbal element, the main sign is verbal, because it is easier to remember, and the attention of consumers [is] focused on it when recognising the brand. This tendency is especially strongly manifested when reading/apprehending labels, for the graphic element in most cases is a background for a verbal sign.

....

Due to the established absence of similarity to the degree of confusion between verbal elements in label one, and labels two and three, established absence of similarity to the degree of confusion between the graphic elements in label one and label two, and also due to the fact that [the] verbal element on labels is the main sign because it is easier to remember and that it is the focus of consumers attention when apprehending the label, it is possible to conclude that label [one] is not similar to the degree of confusion to labels two and three.

84. The report concluded:-

"There are no signs on the label of whiskey "St. Patrick" which are similar to the degree of confusion with the indication of "Jameson" or the label of whiskey "Jameson".

Signed: Dr. V.V. Rlova,

Assistant Professor (Law),

30 years of experience in the field of intellectual property."

85. Mr. Hynes referred to para. 15.3 of the Annual Report 2000 issued by the Federal Service for Intellectual Property, Patents and Trademarks, (Rospatent), which established the Russian State Education Institute of Intellectual Property. Which stated that, in 1997, the Institute was officially recognised as a State Institute by the State Committee of the Russian Federation for Universities and Institutes.

4.5 Trade mark legal agency

86. He also refers to a letter of the "Defence of the Trade Mark Legal Agency", to the legal advisers of Rotor House which concluded:-

"If there is an assignment from a court to conduct an examination in Rospatent, the conclusion will be the same. There are no legal grounds to prohibit the use of "St. Patrick" trade mark in the Russian Federation."

4.6 Mr. Hynes referred to the affidavit of Richard Tierney and noted that he made no comment on the colour, shape of bottle, neck or cap, all of which are distinctly different **as between St. Patrick and Jameson.**

4.7 The defendant had obtained confirmation from Rotor House that it had no current plans to sell St. Patrick outside Russia. St. Patrick was not currently being sold in Ireland and it was not a competitor to Jameson in Ireland. Therefore there was no possibility of confusion occurring in the mind of Irish consumers or wholesalers.

4.8 Frustration of competition

87. Mr. Hynes referred to what he termed "the plaintiff's attempt to frustrate competition". The last remaining distilleries in Ireland were amalgamated into the plaintiff company in 1966. Mr. Hynes says this gave the plaintiff a monopolistic position in the Irish whiskey market which it enjoyed until the defendant commenced trading in 1988. He referred to two occasions where the plaintiff attempted to acquire the defendant and where the second proposed acquisition was ultimately blocked by the Irish Competition Authority in 1994.

88. He referred to reported comments of the managing director and of the spokesmen for the plaintiff in late 1993 and 1994 in disparaging terms and referred to the more recent success of Tyrconnell whiskey made by the defendant.

89. The defendant's concern was that the plaintiff's parent company in Russia, Pernod Ricard Rouss, by letter of the 22nd November, 2007, terminated Rotor House's distribution of Jameson in Russia with effect from 31st December, 2007, after it had been a distributor for Jameson in Russia for five years. Mr. Hynes says he had been advised by Rotor House that this was due to Mr. Bonderenko of Rotor House taking on the distribution of St. Patrick. He was further advised by Mr. Bonderenko and he believed that Pernod Ricard Rouss's stated policy towards distributors was to ensure that the distributors do not deal with competing products, and that this was enforced through levels of discount on product purchases or termination of distribution rights, as happened to Rotor House. He

exhibited a document called "Commercial Policy of Pernod Ricard Rouss 2007 – 2009". Which referred to "system of exclusivity – rewarding clients who do not have brands – competitors of Pernod Ricard Rouss, in their portfolio". At the same paragraph under the heading of "Targets" it says "priority client – separate juridical person with the absence of competitive brands in the portfolio".

4.9 Effect of injunctive relief

90. Mr. Hynes says that Mr. O'Beirne acknowledges at para. 12 of his affidavit that the Russian market was a major contributor to the plaintiff's growth of sales which were up 80% from the previous period, and that Russia was also a market with good sales potential for the defendant with its St. Patrick's product which had sold over 7,000 cases. The grant of an interlocutory injunction would destroy the development of that fledgling market at an early stage in its promotion and development. It would be extremely difficult to pick up the brand at a later date due to the sudden absence from the market which would undoubtedly have left both retailers and customers trying out and switching to other brands, including the plaintiffs, with the result that they will be resistant and/or unresponsive to the St. Patrick product if it tries to re-enter the market after an enforced absence. Mr. Hynes said he believed that the Russian market was particularly sensitive in circumstances where customers, who are becoming increasingly cosmopolitan and aware of western goods and brands, are being invited to explore new products and adopt preferences that depart from the traditional spirit of choice in Russia, namely vodka. In the circumstances he did not believe that the aforesaid derailing of the development of the St. Patrick's brand could be adequately compensated in damages.

91. He said there were three major brands of whiskey in the Irish market: Jameson, Tullamore Dew, and Bushmills. Jameson had a total market share of 95% of the market in 2006. They also distilled Tullamore Dew. The defendant believed that the plaintiff was anxious to retain the share and to stifle competition in that rapid expanding market.

4.10 Mr. Hynes conclusions

92. He concluded by saying that the defendant's position could be summarised as follows:-

(I) Neither the defendant nor Rotor House copied the get up or label of the Jameson product in the get up and label of St. Patrick.

(II) The get up, labels and bottles of St. Patrick and Jameson are not confusingly similar. Any suggested points of comparison as between the two products are negated fully by the green colour of the Jameson bottle and the "generic" feature of whiskey labels bearing the array of names, emblems, and statements of origin.

(III) The motivation for these proceedings is the desire to frustrate competition, and in particular the growing success and quality of the defendant and its products and the potential for sale of St. Patrick by Rotor House, a former distributor of the plaintiff in Moscow.

(IV) There is no possibility in Ireland of confusion, of people believing that St. Patrick and Jameson are from the "same family of products". St. Patrick is not sold in Ireland.

(V) Very considerable and irreparable damage will be caused to the defendant if the interlocutory relief sought by the plaintiff in these proceedings is granted as the defendant will not be able to serve any further orders for the St. Patrick's product without having to request Rotor House to design a new label for the product with considerable time, delay, and cost being incurred.

5. Second Affidavit of Ben O'Beirne

5.1 By affidavit filed 29th January, 2008, in reply to Mr. Hynes's affidavit, the Secretary of Irish Distillers averred that the defendant was an Irish company and that the plaintiff was entitled to institute proceedings in Ireland on the basis of Irish Copyright and Trademark law.

5.2 Russian legal advice

93. He exhibited to a copy of advices as to Russian law regarding certain legal actions available to the plaintiff. In exhibit 20'B1 that advice was exhibited.

94. That advice from Shevyrev & Partners of the Moscow Chamber of Attorneys confirmed that the relevant law in Russia was Federal Law No 135-FZ of July 26th, 2006 on protection of competition.

95. Russian legalisation provides, under Article 14(1) which prohibits unfair competition that action could be taken by Irish Distillers, by requesting the federal anti-monopoly service to take action against "the instance of alleged unfair competition". This was on the basis that it could be established:-

(i) That the producer and distributor of the St. Patrick product intentionally produced, or offered to sell and produce goods similar to the Jameson product to misinform consumers regarding the identity of the goods producer and to its business reputation (Article 14(2)); or

(ii) That the results of intellectual activity and equated to it (sic), sources of individualisation of the legal body or sources of goods individualisation, were illegally used that evidence by substantial similarity of the St. Patrick and Jameson products, which would be based on general visual impressions (Article 14(4)).

96. The advice of 5th December, 2007, by Shevyrev & Partners was that a request could be made to the Federal Anti-monopoly Service in Russia the body empowered to take general intellectual property and unfair competition actions under the federal law on protection of competition in Russia in either the following circumstances:

(a) if it could be established that the producer of the St. Patrick product intentionally produced goods similar to the Jameson product to misinform consumers regarding the identity of the product or

(b) that the intellectual property was illegally used as evidenced by substantial similarity of the products based on general visual impressions.

97. There was no evidence before the court that any application or request was made to the Federal Anti-monopoly Service.

98. The court notes that there is no evidence of any consideration as to whether Rotor House, the distributors of the St. Patrick brand in Russia, was a necessary or possible defendant or notice party.

5.3 Position of Rotor House

99. Mr. O'Beirne believed it to be highly significant that Mr. Hynes disclosed that Rotor House, the defendant's Russian distributor until very recently, was sufficiently concerned as to the possibility of a complaint being made by the plaintiff that it sought, prior to any complaint in fact being made by the plaintiff, advice from trademark agents in Russia and sought an opinion from Dr. Orlova of the Russian State Institute of Intellectual Property as to the whether the St. Patrick label infringed trademark rights of the plaintiff in its Jameson label.

100. Mr. O'Beirne submitted that copyright is in fact presumed by statute to subsist in the Jameson label and that the plaintiff was presumed to be the owner thereof. He said that the design of the labels was carried out by in-house designers with advice from its external consultants and that the plaintiff owns the copyright in the design work of its employees.

101. Mr. Hynes did not explain why Mr. Gorokovsky, having requested Jameson by name and been given a receipt in that name, was supplied with St. Patrick whiskey.

102. It was clear that the production of the St. Patrick whiskey blend, its bottling and its labelling all took place in the defendant's premises in Ireland. The defendant had an input into the size of labels which its machinery could accommodate and the labelling as well as the blending and bottling took place in the defendant's premises in Ireland.

103. Moreover, Rotor House was in fact responsible for the distribution of the plaintiff's products throughout the entirety of Russia and not just Moscow. While Mr. Hynes stressed that Rotor House was "solely responsible for coming up with a name, label and general get up" of the product, the deponent would be surprised if no one in the defendant's business had raised a concern that a serious complaint would be made by the plaintiff.

5.4 Design Studio

104. The letter from Brand Ship Studio did not have samples of similar designing solutions exhibited. The statement quoted by Mr. Hynes was not to be found in the letter as exhibited in translation. There could not be said to be any "generally accepted and traditional design solutions for labelling of such products" at all. Indeed Mr. Hynes averred that there "are an enormous range of styles of whiskey bottles and labels".

105. Mr. O'Beirne says that given the extent of the similarities between the graphic representation of the St. Patrick label and that of the Jameson label, and the perception of the Brand Ship Studio that the generally accepted and traditional design solutions were very constraining, he would question the assertion that the St. Patrick label was not in fact influenced by the Jameson label. In any event, if it were the case that reproduction of its label may not have been by reason of any conscious effort to copy the Jameson label, the plaintiff was entitled to complain of the infringement of its intellectual property right.

5.5 Mr. O'Beirne said that the first representative of the plaintiff took a photograph of the marketing materials in or about September, 2007, when the matter was then brought to Mr. O'Beirne's attention. It was not specified when the product was shipped to Russia. The reference to a display of the product on 10th February, 2007, is assumed to have been a reference to a display of a sample of the product. It was unclear whether the design on the label of the St. Patrick product on the sample in February, 2007, was the same as that used on the product shipped to Russia several months later. The Rotor House 2007 Catalogue was not exhibited nor was the label of the St. Patrick product reproduced on the web page of Rotor House on 21st August, 2007. The Press Release concerning St. Patrick issued in October 2007 was after the launch of the product had come to the plaintiff's attention.

106. There were a number of Irish whiskeys commonly on sale in Russia. The Rotor House marketing material goes further than simply suggesting that its product be placed with Irish whiskeys but rather specifically singles out the plaintiff's Jameson product. This indicates an acceptance that a product placed beside the brand leader is likely to come to the attention of the consumer and be associated with the Jameson product. To say that placing the product side by side "promotes a side by side comparison in such a way that differences are likely to be immediately apparent to consumers" ignores the fact that the similarities are also made immediately apparent to the consumer. The colour is only one element in the Trademark that has been registered. Though the St. Patrick bottle is slightly different, it is of the same height and general dimensions. The overall impression conveyed by the presentation of the St. Patrick product, particularly when placed with Jameson products, conveys that they are part of the same product range.

107. The features such as the colouring of the lettering of the words 'country' or the precise colour of the emblem on the St. Patrick bottle could not be described as being very distinctive features. The plaintiff does not accept that "the St. Patrick bottle and label is a distinct design for this particular product". Mr. O'Beirne did not accept that labels for whiskey bottles were necessarily generic in that they state the name of the brand and the type of product being sold. There is an enormous range of styles of bottles and labels.

5.6 The decision of the Russian State Educational Institute of Intellectual Property was explained by Mr. Hynes as having been obtained by the Russian legal advisor to Rotor House in order to be certain that no issue arose under Russian law concerning the St. Patrick product. However, no explanation was given of the circumstances in which that uncertainty arose. The decision is entitled "A Report". Mr. O'Beirne was informed that the Educational Institute is not a form of judicial authority nor a State regulatory body. The reference to "the decision" of the Institute is not accurate as that gives advice by the plaintiff's Russian legal advisers as the law in Russia that regulates Trademarks and Service Marks. This is not, in any event, relevant as the present dispute does not involve the infringement of a Russian registered Trademark, and that this is an unfair competition action to be considered under Federal Law No. 135-FZ on Protection of Competition. He referred to a copy of the advices received from Shevyrev & Partners, dated 28th January, 2008, which states that the Russian State Educational Institute of Intellectual Property is not a State regulatory body nor is it a form of judicial authority under Russian law.

108. Mr. O'Beirne refers to the letter from Rotor House's trademark agent which contains a description of the Institute being in a position to provide expert opinion on all matters of intellectual property. The trademark agents then refer to difficult cases, such as establishing similarity of labels to the degree of confusion where a judge may order an examination by the Rospatent agency.

109. The Russian Court would not be bound by an opinion from the Institute. A judge would reach conclusion based on all the evidence presented by both parties to a dispute, those materials are supplied by the trade mark agent on behalf of Rotor House to support the view that "if there is an assignment from a court to conduct an examination in Rospatent, [the] conclusion would be the same".

110. Mr. O'Beirne says that the present action was not founded on any of the plaintiff's registered trade marks in Russia. Moreover, the comparison of labels was made between St. Patrick and the label of Jameson's "red label" product.

5.7 Mr. O'Beirne did not agree with the opinions expressed by Professor Orlova which focuses on an element by element comparison of the Jameson product label with the St. Patrick label and does not have sufficient regard to the question of the likelihood of confusion as a practical matter by a substantial number of people in the marketplace. Professor Orlova placed emphasis on the verbal element of the labels, as the main sign "because it is easier to remember and it is the focus of customers' attention when apprehending the label". However, this does not take into account the overall visual impression created by the label which suggests to the consumer that the St. Patrick product originates from the same source as the Jameson product.

111. The court observes that the element by element comparison may appear to be the more scientific approach. However it ignores the overall visual impression as a source of likelihood of confusion. The names are, of course, distinctive, but the plaintiff's claim is that in other respects it would appear that St. Patrick is part of the Jameson range or originates from the same source as the Jameson product.

112. It is significant that Dr. Orlova was not informed that St. Patrick was to be placed beside Jameson. Moreover the opinion of Dr. Orlova was not shared by any colleagues with extensive experience in the field nor by the plaintiff's legal advisers, nor by Mr. Goroksovsky, nor Mr. Tierney.

5.8 Mr. O'Beirne denied that the proceedings were an effort to frustrate competition from the defendant. The reported comments of officers of the plaintiff's related companies had no relevance to the proceedings which were to protect the property rights in the manner that the law provides. There was not a "philosophy" of opposition to smaller defendants. The plaintiff has no control whatsoever over the quality of the defendant's product and is concerned, as it believes that there is a substantial number of consumers who associate the defendant's product with the plaintiff's product.

113. The termination by Pernod Ricard Rouss in its distributorship contract with Rotor House with effect from the 31st December, 2007, was a commercial decision and an exercise of the right not to renew the contract upon one months notice. Rotor House had a portfolio of many competing products. After its initial decision not to renew the contract, the issue of St. Patrick came to the plaintiff's attention. It was concerned that Rotor House had for almost a year been engaged in preparing the launch of its own whiskey product in competition with that of the plaintiff and using the plaintiff's intellectual property to do so. It was not anti-competitive.

114. Mr. O'Beirne said that it is not clear whether the 7,000 cases alleged to have been sold to date were to end purchasers or to Rotor House.

115. He did not believe that the grant of an interlocutory injunction would "destroy the development of that fledgling market (for St. Patrick) at an early stage in its promotion and development". The only effect of the injunction would be to prevent the use of the particular labelling for the St. Patrick product. There did not appear to have been any great urgency on the part of Rotor House to get the product on the market during 2007.

116. The Russian market was developing rapidly. The conduct of the defendant in this State is bringing about a situation whereby the plaintiff is suffering extremely serious damage of a wholly unquantifiable nature in money terms. The damage which the defendant may suffer as a result of the grant of the relief sought is very much smaller than the damage which the plaintiff is presently suffering and would continue to suffer in the event that interlocutory relief was not granted.

117. He agreed with Mr. Hynes, that there are currently three major Irish brands of whiskey in the Russian market being Jameson, Tullamore Dew, produced by C. & C.; and Bushmills, produced by Diageo. While the plaintiff supplies C. & C. with whiskey, which is then bottled and sold by C. & C. as Tullamore Dew, it is not the plaintiff's brand. If it is the case that the defendant has sold 7,000 cases in Russia, this is far from a substantial amount. It is not clear how much of that may be in the industry "pipe fill", where large quantities would be placed higher up the distribution chain with distributors, wholesalers and retailers, so that it can be quite some time before the products result in sales to end consumers. There is no specification whether the 7,000 cases constitute sales by Cooley, depletion by wholesalers or sales by retailers to end consumers.

118. The plaintiff has no difficulty whatsoever with the launch of the St. Patrick product save for the fact that the present label of the product infringes its property rights, notwithstanding that the sales, in comparison with the sales of Jameson, are very small.

6. The Second Affidavit of Defence - Supplemental Affidavit of David Hynes

119. By affidavit sworn the 4th February, 2008, Mr. Hynes refers to correspondence of 11th December, 2007, where the plaintiff stated that:-

"The entire get up, including in particular, the labelling of the St. Patrick whiskey is identical to that used by our client for its Jameson product...

It is quite clear that every aspect of the label of the St. Patrick product has been simply copied..."

120. Mr. O'Beirne's second affidavit states only that the label "reproduces in substantial part that of the plaintiff" and alludes to purported "similarities".

121. There was no evidence that the plaintiff had ever requested the Federal & Monopoly Service to take action. Mr. Hynes believed that as there was no attempt to deceive customers as to the identity of the two products and no evidence of such deception, the general visual impressions were such that there was no basis for the plaintiff to initiate proceedings in Russia.

122. He referred again to the Institute of Intellectual Property opinion and to the absence of the plaintiff's trade marks in Russia. Neither Mr. Hynes nor Rotor House foresaw any possibility of a complaint raised by the plaintiff until they were informed by Mr. Kirill Shroub, the head of the Moscow sales department of Pernod Ricard Rouss, in mid September that the products were similar.

123. The plaintiff was conspicuously silent and gave no explanation as to why it took from the end of September 2007, until the 11th December, 2007, to articulate its grievance in correspondence from its solicitors.

124. Rotor House had promoted 25 different brands at the PRO DEXPO show in Moscow in February, 2007, including two bottles of St. Patrick's (0.5L & 0.7L) with 5,000 catalogues distributed, each containing a separate leaf dedicated to the St. Patrick brand with the

same design that is currently being sold by Rotor House in Russia. St. Patrick was shipped to Russia for commercial distribution in August 2007, and went on sale from 1st September, 2007. He believed that representatives from the plaintiff's sister company in Moscow had actually seen the St. Patrick design. It was not a secretive launch. The information concerning the product was published on Rotor House's website.

125. Mr. Hynes says that from 1st September, 2007 to January 2008, 7,000 cases were sold and shipped for the Russian market and a further order for about another 7,000 cases were received. Total sales was annualised at about 25,000 cases which is a very substantial amount of sales for the defendant.

126. The exhibit from Brand Ship Studio included some examples of art, whiskey names such as Glen Mavis, Southern Comfort, Jack Daniels, and the cylindrical boxed Gold River.

7. Third Affidavit of Ben O'Beirne

127. By affidavit filed the 8th February, 2008, Mr. O'Beirne stated that he believed that the averments of Mr. Hynes regarding the position in Russian law did not accurately reflect the entirety of the evidence furnished by the Moscow Chamber of Attorneys. The plaintiff did not request the Federal Anti Monopoly Service to take any action as the acts of the defendant, an Irish company, of which the complaint is made, are and were taking place in this State. The opinion of the Institute of Intellectual Property is not relevant to the present action. While the defendant said it had not received the letter from the Institute of Intellectual Property until the 11th December, 2007, it does not say when Rotor House received that opinion.

128. He says that Mr. Kirill Shub had been presented with a small bottle of St. Patrick's during a visit to the Rotor House office in mid September and had advised that his initial visual impression was that the St. Patrick product was similar to the Jameson product and so indicated that to Mr. Bondarenko of Rotor House. Mr. Olag Boukine of Pernod Ricard Rouss also commented on the similarity of the products and was advised that Rotor House had already considered in detail their legal position. The plaintiff had not adopted a relaxed approach to the matter but had investigated the true source of the product.

129. Pernod Ricard Rouss had paid for the exclusive use of the entire shelf and so-called "facing" in a specialised retail outlet named Proskoveya in the centre of Moscow. The Russian distributor sent a photograph confirming that the Jameson facings were all in order. That photograph shows the five more expensive Jameson bottles on the left of the shelf and two St. Patrick bottles together with three Jameson red labels and a boxed Jameson red label to the right. Mr. O'Beirne says that the photograph demonstrates a mistake not only on the part of personnel in the shop but also on the part of the Russian distributor, in believing that he was confirming to Pernod Ricard Rouss that the store had fulfilled its contractual obligation to exclusively stock Irish Distillers products on the shelf.

130. The plaintiff had attempted to resolve the matters through correspondence in December 2007. The present proceedings were initiated on 10th January, 2008, over the Christmas break.

131. The plaintiff was extremely concerned about the statement that a further 7,000 cases had been shipped to Russia for the period 1st September, 2007 to mid January 2008. The plaintiff suspects that the defendant is attempting to stockpile the product in Russia and has no alternative but to conclude *mala fides* on the part of the defendant in attempting to flood the Russian market and defeat the purpose of the order that the plaintiff was seeking; which was in complete disregard of the existence of the present proceedings. The plaintiff was concerned that irreparable harm would be done to his business in Russia.

8. Supplemental Affidavit of David Hynes

132. Mr. Hynes clarified the order received by the defendant from Rotor House on the 28th December, 2007, when a total of 7,472 cases had already been dispatched. The consignment of cases after the 21st January, 2008, were as follows:-

2,900 cases on the 31st January, 2008;

1,200 cases on the 1st February, 2008;

1,400 cases to be dispatched on the 7th February, 2008, and

1,400 cases to be dispatched on the 8th February, 2008.

133. That is the total number of cases sold by the defendant to date is 14,372.

9. Russian Patent Attorney Statement

9.1 Ms. Ciara Cullen, a solicitor in the firm of A & L Goodbody, solicitors for the plaintiff, exhibited an opinion from Mr. Peter Parpermyakov on the 7th February, 2008.

134. The patent attorney said that he had been asked to provide an independent opinion in respect of the matters raised in the Irish proceedings and provide his opinion for the assistance of the Court. That opinion is as follows:-

"I have seen the Jameson Irish whiskey product produced by Irish Distillers Limited and the St. Patrick Irish whiskey product produced by Cooley Distillery Plc. Based on my practical experience I believe that the label on the Jameson Irish whiskey product and the label on the St. Patrick whiskey product are substantially similar to the extent that consumers would be led to believe that the two products are from the same source, namely Irish Distillers. It is my view that Russian consumers when choosing a whiskey product place much reliance on the overall visual appearance of the product and in particular on the label. Given the substantial similarities between these two labels, consumers in both the on trade and off trade would in my professional opinion be led towards buying St. Patrick in the mistaken belief that it is part of the Jameson family of products. I do not believe that the different names of the products would reduce the risk of confusion given the other substantial similarities between the labels.

Finally, given the number of distinctive features of the Jameson label that have been replicated in the St. Patrick label, it is my opinion that the St. Patrick label could not have been arrived at save by way of copying from the Jameson label or using it as the source for coming up with the St. Patrick label."

9.2 Ms. Cullen also swore an affidavit exhibiting the statement of Mr. Andrey Cherkasov, a patent agent of the Russian Federation, who was asked to provide an independent opinion in respect of the matters raised in the present proceedings.

135. His statement, also dated the 7th February, 2008, is in similar terms.

136. While Mr. Parpemyakov concludes the first paragraph by saying he did not believe that the different names of the products would reduce this risk of confusion given the other substantial similarities between the labels, Mr. Cherkasov says that:-

"I do not think that the different verbal designations in the names of the products would reduce this risk of confusion given the other substantial similarities between the labels."

137. The latter concludes as follows:-

"Finally, [in] my opinion, the number of distinctive features of the Jameson label that have been reproduced on the St. Patrick label and when creating that label, many ideas put in the basis of the design of the production of the company Irish Distillers Limited were used."

138. Ms. Cullen further exhibits a supplemental statement from Mr. Alexandrovich Gorokhovsky who said as follows:-

"(1) I am [a] whiskey brand Ambassador [from] Pernod Ricard Rouss ZAO, a wholly owned subsidiary of Pernod Ricard and Sister Company of the plaintiff in these proceedings. I make this statement on behalf of the plaintiff, and from facts within my own knowledge, save where otherwise appears and, where so appearing, I believe such facts to be true.

(2) I make this statement further to my initial statement of the 11th January, 2008. I have been provided with and reviewed [each of] the replying affidavit of David Hynes sworn the 21st January, 2008, the second affidavit of David Hynes sworn the 4th February, 2008 and the supplemental affidavit of David Hynes sworn the 7th February, 2008, and confirm that the opinions expressed in my earlier statement remain unchanged. It remains my professional opinion that the labels of the St. Patrick and Jameson Irish whiskey products are so similar that most Russian consumers and personnel in bars and retail outlets would believe that both whiskey products come from the same source, namely Irish Distillers. I believe this risk of confusion is heightened when both whiskey products are offered for sale close to each other on the shelves of supermarkets, or otherwise.

Signed: Alexandrovich Gorokhovsky.

Dated: 27th February, 2008."

10. Second affidavit of Richard Tierney

139. Mr. Tierney's second affidavit sworn the 27th February, 2008, refers to his initial affidavit of the 11th January, 2008. Having been provided with and reviewed the replying affidavit, second affidavit and supplemental affidavit of David Hynes, he confirmed that nothing contained therein caused his opinion to differ from that expressed in his initial affidavit. In his professional opinion the label on the St. Patrick Irish whiskey product is so similar to the label on the Jameson Irish whiskey product that there is likely to be confusion in the market as between the two products. In this regard, he believed that if the products were sold together, many purchasers would believe the two products to be from the same source, namely Irish Distillers. As stated in his initial affidavit, it remained his view given the variety of labelling and branding in the whiskey market, that St. Patrick could not have been arrived at save by way of copying from the Jameson label.

140. Friday, 20 June 2008

11. Decision of the Court

141. The plaintiff's product is registered as a community trade mark, No. 99887, registered on the 23rd March, 1998, in respect of whiskey and No. 1605625, registered on the 9th July, 2001, in respect of a green bottle, and a green, cream, black, gold, white and burgundy label.

142. The registration of a community mark certified by the President of the Office for Harmonisation in the Internal Market gives protection within the European Union.

143. The plaintiff seeks an order for appropriate reliefs under the European Communities (Enforcement of Intellectual Property Rights) Regulations, 2006, as the proprietor of the community trade marks registered.

144. The main relief is for an injunction restraining the defendant, its servants, or agents from infringing the copyright of the plaintiff subsisting in the plaintiff's Jameson label by the production and distribution in the State of the labels appearing on the defendant's St. Patrick's Irish whiskey.

145. Section 45 of the Copyright and Related Rights Act, 2000 provides:-

"a person infringes the copyright in a work when he or she without the licence of the copyright owner –

(a) sells, rents or lends, or offers or exposes for sale, rental or loan,

(b) imports into the State, otherwise than for his or her private and domestic use,

(c) in the course of a business, trade or profession, has in his or her possession, custody or control, or makes available to the public, or

(d) otherwise than in the course of a business, trade or profession, makes available to the public to such an extent as to prejudice the interest of the owners of the copyright,

a copy of the work which is, and which he or she knows or has reason to believe is, an infringing copy of the work."

Section 139, provides that copyright should be presumed to subsist in a work until the contrary is proved. That presumption applies to any proceedings, whether civil or criminal, for infringement of the copyright in any work.

Subsection (4) is as follows:-

"(4) where –

(a) a name purporting to be that of the author of a work or of the owner or exclusive licensee of a copyright, as the case may be, appears on copies of the work, or

(b) a copy of a work bears or incorporates a statement, label or other mark indicating that a person is the author of the work or the owner or exclusive licensee of copyright, as the case may be,

that name, statement, label or mark shall be admissible as evidence of the fact stated or indicated which shall be presumed to be correct, unless the contrary is proved."

146. Council Regulation E.C./40/94 of 20 December, 1993 on the Community Trade Mark provides in Article 1:

"A trade mark for goods or services which is registered in accordance with the conditions contained in this Regulation and in the manner herein provided is hereinafter referred to as a 'Community trade mark'."

147. Article 2 provides that:

"A Community trade mark shall have a unitary character. It shall have equal effect throughout the Community: it shall not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole Community. This principle shall apply unless otherwise provided in this Regulation."

148. Article 4 deals with signs of which community trade mark may consist and provides as follows:-

"a Community trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing goods or services of one undertaking from those of other undertakings."

149. Section 14 of the Trade Marks Act, 1996, provides for the infringement of registered trade marks as follows:-

"14.-(1) "a person shall infringe a registered trade mark if that person uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.

(2) "a person shall infringe a registered trade mark if that person uses in the course of trade a sign where because –

(a) the sign is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered, or

(b) the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association of the sign with the trade mark.

(3) a person shall infringe a registered trade mark if that person uses in the course of trade a sign which -

(a) is identical with or similar to the trade mark, and

(b) is used in relation to goods or services which are not

similar to those for which the trade mark is registered,

where the trade mark has a reputation in the State and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the reputation of the trade mark.

(4) For the purposes of this section, use of a sign shall include, in particular -

(a) affixing it to goods or the packaging thereof;

..."

150. It is common case that the St. Patrick whiskey is distilled, bottled and labelled in this jurisdiction and that it has been distributed by Rotor House in Russia.

151. No evidence was given by or on behalf of Rotor House in relation to its input into the design of the label.

152. The Court finds that such delay as existed from the original promotion of the St. Patrick label at the trade exhibition in February 2007 was, on the balance of probabilities, known to representatives of a subsidiary of the plaintiff's holding company, Pernod Ricard Rouss, but that the representatives of that company did not communicate any concern to the plaintiff.

153. The Court accepts that the plaintiff was not on notice of the product until September 2007, and, between that date and December 2007, sought to clarify the source of the St. Patrick brand which was offered for sale in Russia. There was, however, a delay in communicating with the defendant whose name was clearly on the label as 'Cooley Distillery plc', Co. Louth, Ireland.

154. The plaintiff proceeded on the basis of general visual impressions of the label.

155. The test in this jurisdiction is the existence of a likelihood of confusion on the part of the public, which includes the likelihood of association of the sign of St. Patrick with the trade mark of the plaintiff (s.14)(2)(b) of the Act of 1996 in relation to similarity of signs.

156. For the purpose of that section, subs. (4) provides that the use of a sign shall include in particular affixing it to goods or packaging thereof.

157. The court observes that there seems to be some degree of inconsistency regarding the "enormous range of styles of whiskey bottles and labels" and the evidence of Brand Ship Studio that there were "generally accepted and traditional design solutions for labelling of such products". If the latter were so then there would not be an enormous range of styles.

158. The visual impact of the label – the general visual impression – is of similarity, despite the difference in the name and the cap. However, the name, though arched as the Jameson name is, is clearly distinctive in lettering, connotation and phonetics.

159. If one were to examine these differences in the bar trade then, absent an unscrupulous bartender, no passing off should occur. However, in supermarket or off sales, to the extent that the customer selects, there may indeed be confusion in terms of the colour and other get up of the label.

160. While price may be a discriminating and deciding factor for many consumers, it is not a matter in respect of which there is any intellectual property.

161. The Court has had regard to the expert opinion in relation to the perception of the public in Russia and considers in particular the statements of Peter Permyakov and Mr. Andrey Cherkasov in relation to the risk of confusion. The former states that, given the substantial similarities between the two labels, consumers in both the on trade and off trade would, in his professional opinion, be led towards buying St. Patrick in the mistaken belief that it is part of the Jameson family of products. Mr. Permyakov concludes as follows:-

"I do not believe that the different names of the products would reduce this risk of confusion given the other substantial similarities between the labels."

162. Mr. Cherkasov, in identical terms, refers to the substantial similarities said that he does not think that the different verbal designations in the name of the products would reduce this risk of confusion given the other substantial similarities between the labels.

163. The court has had regard to both the affidavits of Richard Tierney, that the label on the St. Patrick Irish whiskey product was so similar to the label on the Jameson Irish whiskey product that there was likelihood of confusion in the market as between the two products and if sold together that many purchasers would believe the two products were from the same source, namely Irish Distillers.

164. The court also considered the opinion of the Russian State Education Institute of Intellectual Property which states that it is a 'report' on the extent of similarity of features used in the labelling of whiskey 'St. Patrick' and the verbal indication of 'Jameson' or the features used in the labelling of 'Jameson' whiskey.

165. While that institute detailed the multi component combination of signs, verbal elements and colours, it would appear that the comparative analysis is confined to the verbal elements only. This appears to have led the Institute to its conclusion that:-

1. there are no phonetic similarities between verbal elements of label one and labels two and three because there are no signs of such similarity;

2. there is no graphic similarity:

firstly, the verbal element of label one consists of two words, separated by a full stop (St. Patrick) which is different from labels two and three (Jameson);

secondly, the verbal element of label one is carried out by a different specialty font, the characteristic feature of which is a double contour of the letters;

3. the designation of label two in the report refers to the label of whiskey 'Jameson' as a multi component combination, which is extensively detailed. Label three is the label 'Jameson', this has a verbal element, printed in a specialty font, all letters being of the same size and black in colour;

4. there is no semantic similarity between label one and labels two and three, because labels two and three have proper names and do not otherwise have a meaning, whereas label one is the name of St. Patrick, the patron saint of Ireland.

166. The report of the Institute then dealt with the comparative analysis of the elements of the graphic designs which were conducted and which allowed the Institute to make a conclusion about the absence of similarity 'to the degree of confusion' between the labels.

167. The Institute concludes as follows:-

"therefore, the answer to the question is:

there are no signs on the label of whiskey 'St. Patrick' which are similar to the degree of confusion with the indication of "Jameson" or the label of whiskey 'Jameson'."

168. While the Court accepts the obvious conclusion that there is no similarity between the names St. Patrick and Jameson, and accordingly no degree of confusion between the verbal elements of the names, it does not appear that the "considerable differences" between the representations of the emblem and the coat of arms, sailing vessel and flying ribbon necessarily answer the "general

visual impression”.

169. The Court notes that the designation in Mr. Hynes affidavit of the report as a “decision” confuses the report with a judicial consideration of the parties of submissions by both parties. It appears that no allowance is made of the evidence of expert practitioners, whether trade mark or patent attorneys.

170. The Court considers the importance of practitioners in the Russian marketplace and is, of course, also entitled to review their evidence in the light of the uncontroverted evidence of confusion that did occur where Jameson was ordered and billed but St. Patrick was served and where St. Patrick was included in the Jameson range where the plaintiff paid for so-called “facing” of their product and was given assurances that the distributor had complied with the plaintiff’s requirements.

171. The Court has also taken into account the position of the plaintiff as brand leader. While the defendant is, of course, entitled to get the best results from its marketing strategy and to encourage distributors to include St. Patrick within a range of Irish whiskeys, it is not entitled to maintain similarities in labelling such as would lead to confusion with Jameson.

172. Moreover, the Court regards the registration of the trade mark as a European trade mark to be significant in terms of an action within the European Union.

173. The Court is satisfied that the plaintiff is entitled to maintain its proceedings within this jurisdiction, where the label is affixed to the St. Patrick product, notwithstanding that the product is being sold outside the member States of the European Union.

174. It does not seem to the court to be relevant that the label was designed by graphic designers on behalf of Rotor House or that the defendant had no input into the label other than with regard to its size.

175. The defendant, in the course of a trade has used a sign which is similar to the trade mark and which is used in relation to goods identical to those for which the trade mark is registered.

176. The Court concludes, on the evidence and on the balance of probability that there exists a likelihood of confusion on the part of the public in the association of the sign of St. Patrick with the trade mark Jameson.