

The Supreme Court

Supreme Court Record No. 2019/33

IN THE MATTER OF THE TRADE MARKS ACT, 1963

AND IN THE MATTER OF APPLICATION NUMBERS 177240 and 177245 DATED 11th Jan 1994 BY DIESEL SPA FOR REGISTRATION OF DIESEL AND DIESEL (DEVICE) AS TRADE MARKS IN CLASS 25 OF THE REGISTER OF TRADE MARKS

BETWEEN:

DIESEL SPA

Plaintiff/Appellant

And

THE CONTROLLER OF PATENTS AND DESIGNS AND TRADE MARKS

First Defendant/Respondent

And

MONTEX HOLDINGS LIMITED

Second named Defendant/Respondent

Ruling on the application of Montex further to the judgment of Ms Justice Irvine delivered on 19th March 2020.

Having considered the written submissions of the parties, including the letter of A & L Goodbody dated 20th April 2020, the Court is satisfied that the order for costs made by the Court of Appeal, in Montex's favour, which included the costs of the High Court hearing, should stand and that Montex's application to have the stay imposed on that costs order lifted be refused.

The Court considers the argument advanced by Montex to lift the aforementioned stay, which was granted pending the outcome of the substantive High Court appeal, is misplaced. Whilst Hogan J. did indeed state that there should be no further delay in the proceedings, the fact that Diesel Spa exercised its right to appeal to this court and was thus responsible for the substantive appeal being postponed, its actions in this regard cannot be considered culpable such that it should be penalised by the lifting of the stay.

As to the costs of the Appeal, the Controller has indicated that he is content to discharge his own costs and the court will so order.

In circumstances where Diesel Spa failed in its appeal and does not resist an order for costs being made in Montex's favour, the court will make such an order, the said costs to be taxed in default of

agreement. As the court is not satisfied that any valid argument has been advanced to demonstrate that the justice of the case would warrant the imposition of a stay on the costs order made in respect of the appeal to this court, Diesel Spa's application for a stay pending the hearing of the substantive appeal is declined.

THE SUPREME COURT

Record No. 2019/33

IN THE MATTER OF THE TRADE MARKS ACT, 1963,

**AND IN THE MATTER OF THE TRADE MARKS ACT, 1996
AND IN THE MATTER OF APPLICATIONS NUMBER 177240 AND 177245
DATED 11 JANUARY 1994 PURSUANT TO THE TRADE MARKS ACT,
1963,**

**BY DIESEL SPA
FOR REGISTRATION OF DIESEL AND DIESEL (DEVICE) AS TRADE
MARKS
IN CLASS 25 OF THE REGISTER OF TRADE MARKS**

Between:-

DIESEL SPA

Plaintiff/ Appellant

-and-

THE CONTROLLER OF PATENTS, DESIGNS & TRADE MARKS

First Defendant/ Respondent

AND

MONTEX HOLDINGS LIMITED

Second Defendant/ Respondent

SUBMISSIONS OF BEHALF OF THE PLAINTIFF/APPELLANT

[8146 words]

A. INTRODUCTION

Nature of Application before the Lower Courts

1. This is an appeal against a judgment of the Court of Appeal (Hogan J, Peart and Baker JJ concurring). The Court overturned a decision of the High Court (Binchy J) under Section 26(9) of the former Trade Marks Act, 1963 (“the 1963 Act”) and under Order 94, Rule 48 of the Rules of Superior Courts by which the High Court allowed certain additional evidence to be brought forward by the Plaintiff/Appellant (“Diesel SpA”) for consideration at the hearing of an appeal against a decision of the First Defendant/Respondent (“the Controller”) in trade mark opposition proceedings commenced by the Second Defendant/Respondent (“Montex”).

2. By the Controller’s decision in those opposition proceedings, given on 9 September 2013, the Controller had refused the application of Diesel SpA to register the DIESEL name and device as trade marks in respect of, *inter alia*, clothing in the State.

Court of Appeal’s Criticism of Delay in the Proceedings

3. The Court of Appeal at the outset of its judgment criticised the delay in the progression of “*the present proceedings*” (paragraph 7) and implied that a “*strike out application ... on the grounds of undue delay*” would have merit (paragraph 8). Diesel SpA apprehends that this criticism coloured the Court of Appeal’s view of Diesel SpA’s application to admit further evidence and therefore wishes to briefly address them at the outset:-

- This appeal was commenced on 7 November 2013 and the application to admit additional evidence filed on 24 February 2014. The longest single delay in these court proceedings was thereafter approximately one year in the handing down of the High Court judgment as the

Learned High Court Judge was indisposed. It is hard to understand how the appeal could be struck out for delay in those circumstances.

- If the Court of Appeal's intention was to refer to the proceedings before the Controller (albeit there is no power under the 1963 Act or the Trade Mark Rules to strike out for delay, the Rules laying down various time-limits), after the related 2001 Supreme Court judgment (the outcome of which had to be awaited), the longest single delay appears to have been a period of over three years pending the appointment of a hearing officer by the Controller.

Factual Background

4. The factual background is exceptional and regrettably convoluted. It is, however, necessary to set out this background to explain how the judgment of the Court of Appeal, as well as being unsound as a matter of law, resulted in a real lack of fair treatment of Diesel SpA in circumstances where Montex was facilitated by the Controller in mending its evidential hand in a dramatic fashion in the course of the proceedings before the Controller. It is therefore respectfully requested that the Court have regard to the background now set out, in excess of the stipulated two pages of background set out in the Practice Direction, bearing in mind that these submissions fall well within the permitted length of submissions.

5. The following simplified timeline will assist the Court in placing matters in context:-

1978 - Diesel SpA first used and registered DIESEL as a trade mark in respect of clothing in various countries.

1979 - Montex first used DIESEL name for its clothing products.

1982 - Diesel SpA maintained in evidence that it was using the DIESEL name in Ireland since "at least" this year.

1992 - Montex applied to register DIESEL as a trade mark in Ireland, opposed by Diesel SpA.

1994 - Diesel SpA applied to register the DIESEL mark in Ireland, opposed by Montex.

2000 – Montex’s application was refused by High Court: the Court:-

- accepted evidence of usage by both parties of the DIESEL name;
- but was not satisfied that Montex had adopted the name *bona fide* having regard to Montex’s refusal to explain adoption of the name despite thrice expressly being charged with *mala fides* in its selection;
- found that, as of 1992, there would have been confusion with Diesel SpA’s DIESEL mark if Montex’s DIESEL name was put into normal and fair use by Montex as of 1992 (being the issue under Section 19 of the 1963 Act).

2001 – The Supreme Court upheld the judgment of High Court on the confusion ground, and did not address the *mala fides* issue in respect of the selection of the DIESEL name by Montex.

2004 – The parties filed evidence in Montex’s opposition proceedings to Diesel SpA’s application which is largely the same as put forward in respect of Montex’s 1992 application. In reply evidence (submitted in 2004) in Diesel SpA’s 1994 application, Montex sought to explain its adoption of the Diesel name for the first time, with a new witness who testified that the person who apparently proposed the name had died in 1988. Montex also (in evidence filed in 2007) sought to explain why it had never filed that evidence in the earlier proceedings.

2013 – The Controller accepted that evidence, rejected Diesel SpA’s trade mark application on the ground that Montex did *bona fide* adopt the DIESEL

name in 1979, and found that there would be confusion if Diesel SpA's mark was allowed on the Register, with negative findings on Diesel SpA's documentary and witness evidence of use in Ireland and abroad.

Further Material Sought to be Admitted

6. The further material which is sought to bring forward can be summarised as follows:-

- (1) Most critically, the evidence of a new witness, Mr Cutting, testifying that he was the distributor of Diesel SpA products in Ireland between 1983 and 1989 and that there was no reference to Montex in the trade at the time;
- (2) The evidence of Mr Eddie Shanahan who ran the country's leading model agency in Ireland from 1982, confirming that Montex's DIESEL was not known; and
- (3) Documentary evidence in the form of advertisements, circulation estimates, letters from magazine proprietors and invoices in respect of usage of the DIESEL name by Diesel SpA up to and during 1994; and evidence pointing out the adoption of company names by Montex.

7. It should be noted that the High Court refused the bringing forward of (2), which was the subject of a cross-appeal by Diesel SpA before the Court of Appeal.

8. Montex has already submitted its replying evidence to the additional evidence of Diesel SpA, and Diesel SpA has already consented to its submission, as appears from the order of the High Court under appeal. The significance of all of the new evidence is a matter for the hearing Court, which is not bound to give any particular weight to it.

View Taken of Evidence about Diesel SpA's Usage of its Mark in the Montex Proceedings

9. In order to explain the relevance and significance of the additional evidence, and how this application to bring forward further material for consideration on appeal came to be made at this time by Diesel SpA, it is necessary to address the issues and the treatment of the evidence in not only the 2013 decision of the Controller, but also in the earlier proceedings which culminated in the Supreme Court decision in *Montex v. Controller* [2001] 3 IR 85 ("the Montex Proceedings").

10. The findings in the Montex Proceedings warrant consideration because the hearing officer in the decision under appeal took a fundamentally different view – on essentially the same evidence - as to the existence and nature of the reputation associated with Diesel SpA's mark in the State to that taken by the Controller and courts in the Montex Proceedings. It was this turn of events that led to Diesel SpA's application to bring forward further evidence.

11. In the Montex Proceedings there were essentially two issues before the court of present significance:-

- (1) whether Montex had adopted its DIESEL mark bona fide so that it could properly claim to be the owner of that mark in the State (an issue under sections 2 and 25 of the 1963 Act which gave the Controller a discretion to refuse registration);
- (2) whether, having regard to the reputation acquired by Diesel SpA in its DIESEL mark prior to 1992, the normal and fair use by Montex of the DIESEL mark would be likely to result in confusion (an issue under section 19 of the 1963 Act which required refusal of registration if met).

12. In respect of the first issue as to ownership of the DIESEL mark in the State, in his Judgment in the High Court (as appears from the report at page

584 et seq) O’Sullivan J noted that on no less than three occasions Mr Rosso of Diesel SpA had made the charge of want of bona fides in respect of the adoption of the name, and that Mr Heery of Montex, despite presenting evidence before the Controller and Court on a number of occasions, had not taken the opportunity to deal with that charge. Accordingly, the Court was not satisfied on the evidence that Montex’s proposed user of the mark was bona fide and refused permission for the registration.

13. On appeal, the Supreme Court upheld the High Court judgment, but instead by reference to issue (2). The Court noted that the evidence before the Court in those proceedings was that Diesel SpA first used the name DIESEL in 1978 and there had been continuous use since, with jeans and clothing being sold under that name in Ireland since “at least” the year 1982 (at page 90 of the report).

14. As set out in the Judgment of Mr Justice Geoghegan in the Supreme Court, the hearing officer, in upholding the opposition to the Montex application, set forth at paragraph 17 of his decision that there was no doubt that there would be deception and confusion amongst a substantial number of persons were the mark DIESEL to be used in a normal and fair manner by Montex in connection with the registered goods, having regard to the reputation acquired by Diesel SpA in the name DIESEL. The hearing officer was satisfied that Diesel SpA had demonstrated that it had acquired a reputation in association with the name DIESEL in the State before the date of the Montex application, being 18 September 1992. Regard was had to the evidence of Mr Rosso in the form of three invoices in respect of Diesel goods sold into Ireland prior to September 1992; the evidence of Mr Farrell of FX Kelly, mentioned above; the evidence of Mr Lawley, a distributor, as to the sale of Diesel clothing to FX Kelly during 1988 to 1995 and other retailers; the evidence of Mr Forte of GAP Limited that he believed that clothing bearing the trade mark DIESEL had been sold regularly on the Irish market since “at least” the early 1980s, with GAP Limited purchasing several consignments for sale through its shops in Cork, Limerick and Dublin during the period 1983 to 1985; and spill-over advertising in magazines such as The

Face, Arena, ID, For Him and Sky TV Magazine as well as on MTV, a satellite TV station (albeit in this regard the hearing officer did not have regard to the possible effect of spill-over advertising, being satisfied that the probability was that Diesel SpA's goods were sold in Ireland prior to September 1992 and that those sales were of sufficient quantity to acquire a reputation).

15. At page 102 Geoghegan J concluded that:-

“[t]here was ample evidence before the hearing officer and again before the High Court to justify a finding of likelihood of confusion...”.

16. Mr Justice Geoghegan stated at page 89 of the report that, given that the learned High Court Judge was correct in his decision in respect of Section 19 – namely that the finding that it was likely that registration of the Montex mark would result in confusion was a bar to its registration – in those circumstances it was inappropriate to give any consideration to the issue of barring registration as a matter of the exercise of the Controller's discretion on the *bona fide* adoption point.

17. At the time of the filing of the evidence in the DIESEL trade mark applications in issue (in December 2003 on the part of Diesel, and in October 2004 and, on foot of seeking leave to admit further evidence, further in March 2007, on the part of Montex) the view taken of Diesel SpA's evidence by the Controller and courts was as set out above: namely that, such was the reputation of Diesel SpA in its DIESEL mark as of 1992, use by Montex of the DIESEL name at that time would have resulted in members of the public believing that Montex's products originated from Diesel SpA.

Decision of the Controller in 2013

18. The issues before the Controller of present significance were:-

- (1) whether Montex had adopted its DIESEL mark bona fide so that it could properly claim to be the owner of that mark in the State, i.e. to the exclusion of Diesel SpA (an issue under section 2 of the Act);

This was the same issue as had arisen in the Montex Proceedings.

- (2) whether, having regard to the reputation acquired by Montex in the DIESEL mark prior to 1994, the normal and fair use by Diesel SpA of the DIESEL mark would be likely to result in confusion (the issue under section 19 of the 1963 Act);

Montex repeatedly maintains that this is an issue of confusion *simpliciter* as between the marks and was determined in the Montex Proceedings (i.e. that it was determined that the marks are confusing and so neither should ever be registered). Thus, in Montex's Respondent's Notice it contends (at section 7, paragraph 5 and ground 1(c)(vii) and ground 1(a) in the section of Montex's Notice dealing with additional grounds on which the decision should be affirmed) that the issue of confusion as between the Diesel SpA and Montex marks was already addressed in the Montex Proceedings, and has already been resolved, and thus the further material can have no relevance.

However, that mischaracterises the point: the question for the Controller in his 2013 decision was not if the use of two DIESEL marks was confusing simpliciter, but rather if consumers would believe that the goods bearing the DIESEL mark of Diesel SpA originated from Montex, which was the reverse of the issue in the earlier Montex Proceedings.

If, as determined in the Montex Proceedings, consumers in 1992 seeing the Montex DIESEL sign were likely to confusedly believe that the goods originated from Diesel SpA, then it could hardly be the case that in 1994 consumers would think, when seeing the Diesel SpA

mark, that the goods originated from Montex. Nonetheless, the Controller determined otherwise.

(3) whether, in any event, Diesel SpA's application was entitled to proceed on the ground of honest concurrent use.

19. The Controller, in the decision under appeal, upheld Montex's oppositions in respect of two Diesel SpA applications to register the DIESEL word and device for clothing.

20. In respect of the first issue:-

- the Controller allowed Montex to completely revisit the question of whether it had bona fide adopted the DIESEL name in 1979 – expressly rejecting the considerations of finality of litigation now invoked by the Controller and endorsed by the Court of Appeal in its judgment - and allowed Montex to again claim that Diesel SpA were not entitled to own the mark in the State;

- the Controller permitted Montex to file additional evidence on the matter in 2004 and 2007;

- as appears from the decision of the hearing officer, at page 16, the Controller also heard oral evidence from Mr Patrick McKenna as to a Mr Gene McKenna, the foreman of the Montex factory and now deceased, coming up with the DIESEL name;

- at page 22, paragraphs 43 & 44, of the Decision, the Controller rejected the application of *Henderson v Henderson* and considerations of finality of litigation, stating that:-

“the fact that Montex chose not to address how it came to use its Diesel mark (which proved fatal in the previous proceedings, and for which Montex paid the price) relates to a completely

different given matter and cannot debar it from addressing the issue in these proceedings”.

21. The decision of the hearing officer is then characterised by repeated criticisms of both the quality and the veracity of Diesel SpA’s evidence as to its having a reputation internationally as of 1979, and as to it having conducted any sales in Ireland in the 1980s. For example:-

- at paragraph 78 the hearing officer reviews the evidence submitted by Diesel SpA to support its claim of reputation in Ireland, and concludes that the invoices offered in evidence in support of sales by Diesel SpA in the period from 1979 (the year of Montex’s claim to first use of its Diesel mark) to the relevant date some 15 years later have *“negligible weight in terms of probative value and they cannot, in any way, be considered as demonstrating a reputation in Ireland based on sales.”*

- at paragraph 80 he noted that Mr Lawley stated that prior to 1988 the distributorship for the UK and Ireland was handled by another UK company, Walker Webster Limited, though *“he does not actually claim that Walker Webster Limited sold goods bearing the Diesel SpA DIESEL brand into Ireland nor is there any evidence from Diesel SpA or Walker Webster Limited to support such a claim.”*

It will be noted that this gap in Diesel’s evidence of sales in Ireland in the 1980s is now in a position to be filled by Mr Cutting’s new evidence.

- At paragraph 81, the hearing officer stated that *“[n]o evidence to support... a claim was provided that goods bearing the DIESEL brand had been advertised in magazines such as The Face, Arena, ID, For Him and Sky TV Magazine”* and that *“[n]ot one copy of a magazine, or even one page of a magazine, containing an advertisement for the Applicant’s DIESEL brand was submitted.”*

22. In respect of the second issue, at paragraph 118 the hearing officer expressed the view that there would be no doubt that there would be confusion with the earlier mark, which he had determined to be Montex's DIESEL mark, if the Diesel SpA trade mark was put on the Register.

23. The hearing officer took the view that Diesel SpA had failed to prove that its mark warranted registration on the ground of honest concurrent use having regard to the criteria set forth in the case law at paragraph 125 of his decision. The hearing officer expressed the view that *"the period between 1982 and the filing date of 11 January 1994 is a significant duration, but use within that period, consists of less than a handful of sales. Most certainly there was not continuous use"*.

24. The Controller's view of Diesel SpA's evidence in his 2013 decision – that it did not demonstrate a reputation based on sales in Ireland up to 1994 - is therefore completely at odds with the view of Diesel SpA's evidence accepted by the Controller and the courts in the earlier proceedings that Diesel did have a reputation in Ireland based on sales up to 1992.

25. To shut Diesel SpA out from registration, having used the mark in the State for several decades, with negligible evidence of confusion being testified to by the Opponent's witnesses, is, it is submitted, a serious injustice and does not accord with the intention of Section 19.

Learned High Court Judge's View as to the Significance of the Further Material

26. The Learned High Court Judge was of course of the view that the additional evidence was relevant and significant for issues arising in the trade mark appeal and placed its bringing forward by Diesel firmly in the context of the decision of the Controller to reject Diesel's application and the turn of events that it represented. Thus, for instance:-

- at page 29 of the judgment, the Learned High Court Judge identified that *“the dispute between the parties centres around the extent of the usage of the mark by the parties and when it commenced”*, which factor would *“tend towards the admission of much of the evidence”*;
- likewise, having stated that *“the overall impact of the evidence which it has 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 Judge noted at page 29-30 that the additional invoices and advertisements and circulation figures *“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 helped to demonstrate the presence in the Irish market of the Plaintiff’s DIESEL products from the early 1980s onwards.”*
- at paragraph 59 the court noted that in respect of the affidavit of Mr Cutting that it is *“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... it seems to me that to exclude the evidence of a person who claims to have been a distributor or the Plaintiff during a period that is critical to the Plaintiff’s application would be unfair and wrong...”*

B. SUBSTANTIVE ISSUES ARISING IN THE APPEAL

First Issue – Scope of an Appeal from the Controller to the High Court under the 1963 Act (Grounds of Appeal 1 – 4)

Failure to Address the Caselaw on the Scope of Appeal

27. The Court of Appeal at paragraphs 15 – 21 of its judgment firstly assessed the scope of an appeal from the Controller to the High Court under

Section 57 of the 1963 Act, viewing this (at paragraph 15) as the “*necessary*” first step in assessing the correct approach to an application to bring forward further evidence under Section 26(9) of the Act.

28. Having set out the legislative provisions and Order 94, Rule 48 (the terms of which will not be repeated here) the Court of Appeal, in a brief passage at paragraph 21 of the judgment, expresses the view that because Section 25(7) of the 1963 Act envisaged that the appeal from the Controller to the High Court would be based on the materials which were before the Controller and that the admission of any new evidence on appeal had to have the leave of the Court, then it followed that the scope of appeal was “*in many respects indistinguishable from that which prevailed from the High Court to the Supreme Court*” prior to the recent change to the architecture of the Superior Courts.

29. It is submitted that the Court of Appeal was correct to firstly assess the scope of the appeal, but erred and acted *per incuriam* in failing to have regard to the caselaw directly addressing precisely this issue. The nature of an appeal under the 1963 Act (and the predecessor legislation) has been extensively addressed in the caselaw.

30. The provisions of the preceding 1927 Act were understood to provide for an appeal with a hearing de novo, albeit primarily on the basis of the material before the Controller. In *Philadelphia Storage Battery Co. v. Controller of Industrial & Commercial Property* [1935] IR 575 the Chief Justice stated at page 593 that:-

“In my opinion, therefore, while we read the views of the Controller with respect and in the present case with admiration of the clarity and ability of a statement of them, we are quite free to form our own opinion untrammelled by them.”

31. It has thus long been established that on such an appeal by way of rehearing as referred to in Order 94 of the Rules of Superior Courts, the court

is to establish its own view of the issues before the Controller. In *re Application of Hamilton Cosco Inc.* [1966] IR 266 at 268 Budd J in the High Court stated:-

“I should refer to the position of this Court in dealing with an appeal from the Controller since I have had certain submissions made to me with regard to the nature of the discretion which the Court has to exercise. In the first place I have been referred to the decision of the Supreme Court in Philadelphia Storage Battery Co. v. Controller of Industrial and Commercial Property and N. V. Philips' Gloeilampenfabrieken [1935] I. R. 575. That decision was, of course, concerned with the then existing Acts of 1927 and 1929. At page 593 of the report, Chief Justice Kennedy, in dealing with the function of the Court, said:—‘In my opinion, therefore, while we read the views of the Controller with respect and in the present case with admiration of the clarity and ability of his statement of them, we are quite free to form our own opinion untrammelled by them.’

The views of the Supreme Court in that case do not appear to have been affected by the Legislature in the enactment of the Trade Marks Act, 1963.”

32. Budd J then quoted from Section 57 of the 1963 Act and continued:-

“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.”

33. In *Seven Up Co. v. Bubble Up Co.* [1990] ILRM 204 Murphy J in the High Court expressly followed the decision in *Hamilton Cosco*. It was also followed by Hamilton J (as he then was) in the High Court in *LRC International v. Controller*, unrep, 13 July, 1976.

34. It might also be noted that in *Cofresco v Controller of Patents, Designs and Trade Marks* [2008] 1IR 582– which was an appeal against a decision of the Controller under the new Trade Marks Act, 1996, the High Court (Finlay Geoghegan J) recorded at page 585 that:-

“It was common case between the parties that, having regard to Section 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 Controller, namely Cofresco’s opposition to the registration of Renaults’ trade mark. This appears correct. It was also agreed that it be determined on the evidence before the Controller and exhibited in the grounding affidavit herein.”

35. At no point before the Court of Appeal did the Controller or Montex seek to impugn the *Philadelphia Storage* line of case law.

36. In its Respondent’s Notice, the Controller in responding to the Grounds of Appeal, at paragraph 1(a), does not seek that this Court overturn the judgment in *Philadelphia Storage Battery Co*, but rather contends that the view expressed in that case is not relevant to the question of grant of leave to bring forth further evidence or the test to be applied. It is submitted that the logical starting point for assessing the test has to be, as the Court of Appeal and the High Court agreed, the determination of the proper scope of the appeal. The Controller further pleads that the decision in *Philadelphia Storage Battery Co* was decided under the previous legislation and therefore can “*easily be distinguished on that basis*” but, as addressed above, the legislation previously was to similar effect and Budd J in *Cosco Hamilton* took the view that the former Supreme Court’s decision was applicable to the 1963 Act.

The Trade Marks Legislation

37. As already noted, after the foundation of the State, the State moved relatively quickly to introduce, in 1927, comprehensive new legislation in

respect of registered intellectual property rights. Section 91 of the Industrial and Commercial Property (Protection) Act, 1927, addressed oppositions to registration of trade marks and provided, in Section 91(5), that the decision of the Controller “*shall be subject to appeal to the Court*” and that “*on such appeal the Court shall... make an order determining whether, and subject to what conditions, if any, or what limitations, if any, as to mode or place of user or otherwise, registration is to be permitted*” (subs (6)).

38. Section 91(7) provided that “*on the hearing of any such appeal 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.*”

39. There was no substantive change in the 1963 Act other than in copperfastening the jurisdiction of the Court by providing at Section 57(1) that the Court on an appeal may make an order “*confirming, annulling, or varying the order or decision... of the Controller as it thinks fit*” and, in Section 57(2), stating that “*the Court shall have and exercise the same discretionary powers as under this Act are conferred upon the Controller.*”

40. The fundamental feature of the legislation which has been overlooked by the Court of Appeal, and which is a critical factor in understanding the approach adopted by the former Supreme Court in *Philadelphia Storage Battery* (and indeed the more liberal test for the admission of further material adopted in the UK caselaw), is that the Trade Marks Acts have always permitted an applicant for a trade mark who is refused registration to file a new application for registration. Therefore considerations of finality of litigation cannot be applied in the same way as to court proceedings. This approach of the Oireachtas, in allowing a new application for registration of the same mark as earlier rejected to be made, reflects the fundamental public policy whereby it is sought to ensure that proprietors of trade marks which warrant protection can have access to the Register of Trade Marks. As noted in the judgment of the High Court herein at paragraph 52 (viii):-

“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.”

41. In permitting a renewed application even after a rejection, the Legislature has clearly made an assessment that the public policy favouring the registration of valid trade marks should be prioritised over the public policy in favour of the finality of proceedings.

Murphy v. Minister for Defence / Emerald Meats

42. At paragraphs 22 – 27 the Court of Appeal emphasised the rationale for the principles in *Murphy v Minister for Defence* [1991] 2 IR 161 applicable to the adducing of fresh evidence on an appeal from the High Court to the Supreme Court, as addressed in *Emerald Meats v Minister for Agriculture* [2012] IESC 48 ("Emerald Meats"). That analysis of the Court of Appeal, of course, all flowed from the earlier, flawed, determination of the Court of Appeal, at paragraph 21 of its judgment, that the scope of appeal of the Controller to the High Court was in many respects indistinguishable from an appeal from the High Court to the Supreme Court under the former structure of the Courts in the State. However, as is immediately apparent from an examination of the passage from the judgment of O'Donnell J quoted at paragraph 22 of the judgment of the Court of Appeal, the rationale set forth in *Emerald Meats* was on the basis that there was an overriding public policy in respect of the finality of litigation which meant that the parties must “*bring forward their best case for adjudication*”, save for the possibility of other evidence being brought forward where “*a trial takes an unexpected turn*”. As explained above, considerations of the finality of litigation are misplaced in terms of the statutory structure of the trade mark registration system.

43. As pointed out by the Learned High Court Judge at paragraph 49 of his judgment, it is inevitable that the rules governing the admission of new evidence in an appeal to the Supreme Court from the High Court must be more restrictive given the nature of that appeal. On the other hand, where the

High Court is conducting a full rehearing, reaching its own view on the evidence, without having to undertake any analysis of whether errors were present in the decision of the Controller, then the nature of the appeal itself is not a controlling factor in respect of the appropriate approach to the bringing forward of further material for consideration by the High Court.

44. Accordingly, the rationale for the rules on the admission of fresh evidence on an appeal to the Supreme Court as set out in *Emerald Meats* by O'Donnell J are not applicable in the context of an appeal to the High Court from a decision of the Controller. However, if the Court were to take the view *Emerald Meats* is applicable, it is submitted that the decision under appeal is nonetheless correct, and if necessary that will be addressed at the hearing.

UK Jurisprudence in respect of the Bringing Forward of Further Evidence

45. The Court of Appeal addressed the “Hunt-Wesson test” (which can be no more than a range of non-prescriptive considerations) at paragraphs 28 to 35 of its judgment. However, the judgment of the Court of Appeal completely disregarded the jurisprudence under the equivalent 1938 Act in the UK by which it has long been accepted – prior to the decision in *Hunt-Wesson Inc's TM Application* [1996] RPC 233 - that the nature of an appeal under the former trade marks legislation warranted a more liberal approach to the admission of further evidence on an appeal of a judgment of the High Court.

46. Thus in *BALI Trade Mark* [1966] RPC 387, Ungood-Thomas J stated in respect of such applications to bring forward additional evidence that:-

“It is, of course, a question of trying as best one can to do justice to the parties on the merits of the case by weighing up the advantages and disadvantages to both parties and having regard to the desirability of having the issue fully, properly and satisfactorily investigated. (page 390)

...

In my view, in all the circumstances of this case, with a view to doing substantial justice between the parties, and to having the case decided fully on its merits, without in any way retrying the case on matters which should have been disposed of before the Assistant Controller or prejudicing the Berlei Company unduly by reason of admitting the evidence, it seems to me that the proper course is to attach the main weight to the desirability of having the substantial issue satisfactorily and fully investigated; and I consider that any prejudice that the Berlei Company might suffer can be provided for by other provisions than excluding altogether this evidence which is now sought to be admitted.” (at page 393) (emphasis added)

47. Thus in *Club Europe Trade Mark* [2000] RPC 329 Sir Richard Scott VC stated at 338 that:-

*“I agree that the restrictive principles expressed in *Ladd v. Marshall* [the authority in England and Wales equivalent to *Murphy v. Minister for Defence*] do not apply where the question is whether on a trade mark appeal to which Order 55, Rule 7(2) applies new evidence should be admitted. I agree also that the matters referred to by Laddie J [in *Hunt-Wesson*] 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 straight-jacket.” (emphasis added)*

48. In *Du Pont’s Trade Mark* [2004] FSR 15 Aldous LJ in the Court of Appeal stated at paragraph 100 that in *Hunt-Wesson*:-

“Laddie J was thus articulating a somewhat lax approach in trade mark appeals to the question of admitting fresh evidence. I accept that the question should be judged, as in all cases, by reference to the nature of the issues in the proceedings.”

49. The Court continued by noting the adoption of the *Hunt-Wesson* considerations in the *Club Europe TM* case.

Irish Caselaw

50. Whilst the more liberal regime in respect of the admission of new evidence set forth in the *Hunt-Wesson* case has never been expressly approved by the Irish Courts, as noted at paragraph 29 of the judgment of the Court of Appeal, the Controller himself in arriving at his decision which was the subject matter of appeal in *Bus Eireann v. Controller* [2008] 1 ILRM 428 applied some of the *Hunt-Wesson* factors. Laffoy J held that the Controller was undoubtedly entitled to take those factors into account in considering an application to admit new evidence (at page 440).

51. At paragraphs 29 to 31 of the judgment, the Court of Appeal placed surprising significance (in terms of their implications for other cases which the Court of Appeal attributed to them) upon comments of Laffoy J in the High Court in *Unilever v Controller* [2005] IEHC 426. As noted at paragraph 29 of the judgment of the Court of Appeal, in that case Laffoy J applied the *Hunt-Wesson* approach to the admission of further evidence by agreement of the parties, Laffoy J noting that those considerations provided for a more liberal regime than that laid down in *Murphy v Minister for Defence* [1991] 2 IR 161. Her comments, recorded at paragraphs 30 and 31 of the judgment of the Court of Appeal, appear to have been treated by the Court of Appeal as somehow constituting a rejection of the *Hunt-Wesson* approach and an endorsement of the *Murphy v Minister for Defence* approach in the context of appeals to the High Court from the Controller.

52. *Unilever* was a case where an application was brought to admit additional evidence consisting of reports by branding experts as to their opinions as to the likelihood of confusion between two brands. Opinion evidence of that sort – the admissibility, let alone the weight of which, is doubtful - involves completely different considerations as compared with the sort of factual evidence in issue in this case. It is difficult to read the comments of Laffoy J in *Unilever* as representing anything other than a clear statement that

applications for the admission of additional evidence should not be granted uncritically, and need to be assessed on a case by case basis.

Court of Appeal's Rejection of More Liberal Approach

53. While the Court of Appeal at paragraph 32 of its judgment expressed the view that it was “*unpersuaded*” by the judgment in *Hunt-Wesson*, the Court of Appeal at paragraph 32 refers only to “*a public interest in ensuring that potentially invalid marks are not registered*” as favouring a more liberal regime, which the Court contrasts with the public interest in “*securing finality in litigation*” at paragraph 33 of the judgment. However, these are in fact not the only public policy considerations in this context: as noted above, there is a strong public policy interest in ensuring that marks which ought to be on the Register are indeed placed on the Register, and it is for this reason that the Oireachtas permits further applications to be brought forward founded on new evidence, thus severely limiting the application of public policy identified at paragraph 33 of the judgment of the Court of Appeal in this context.

54. The Court of Appeal's apprehension of rewarding “*casualness on the part of those who were indifferent to the necessity to secure the orderly and efficient administration of justice*” at paragraph 33 of its judgment underlines the fundamental misidentification by the Court of Appeal of the nature of the statutory trade mark registration system. The trade mark system is not one that has as its *raison d'être* the rendering of a final, just, decision in respect of a justiciable dispute, and the attempt to assimilate it to the role of the Superior Courts led the Court of Appeal into error.

55. The concern expressed by the Controller as to a successful appeal in this case opening the “*flood gates*”, appearing at paragraph 4(d) of its Respondent's Notice, has no validity given the exceptional circumstances in which this application is brought forward.

Second Issue – Whether the Court of Appeal erred in its application of the Murphy v Minister for Defence Principles, if Applicable

56. It is of course submitted that the *Murphy v. Minister for Defence* principles are not applicable. If they are, then in Diesel SpA's submission the Court of Appeal in particular erred by failing to take into account the "proviso" in Emerald Meats as to the possibility of the admission of further evidence where a trial takes an unexpected turn. As addressed above, this is precisely what occurred here: the Controller in his 2013 decision took a completely different view as to the extent of Diesel SpA's reputation and goodwill in the State as was taken by the Controller and the courts in the Montex Proceedings. In the Montex Proceedings, the Controller and the Courts were satisfied that, not only had Diesel SpA sufficient locus to question whether Montex had bona fide adopted the DIESEL name, but that the extent of reputation and goodwill held by Diesel SpA in the State in 1992 was such that the use by Montex of the DIESEL name would result in confusion on the part of the public. In the 2013 decision, the Controller questioned whether Diesel SpA had any meaningful sales at all in the State in the 1980s and found that the position in 1994 was that Diesel SpA's use of its DIESEL mark would result in confusion with Montex's DIESEL name. This marked a complete reversal of the position earlier arrived at on the same evidence.

57. In its Respondent's Notice the Controller expresses the view that there was no unexpected turn of events, in that the Court of Appeal at paragraph 39 of its judgment expresses the view that the question of pre-1994 user was always one that was alive. However, this overlooks the fact that it is *the treatment* in the 2013 decision of the evidence of Diesel SpA's user prior to 1994 which was unexpectedly different to the view previously taken by the High Court and the Supreme Court in the Montex Proceedings.

Third Issue – Whether Special Leave Ought to have been Granted on the More Liberal Basis such as referred to in Hunt-Wesson

58. In this regard Diesel SpA relies upon the considerations examined by the Learned High Court Judge in his judgment which have already been set out above. In particular Diesel SpA emphasises that to exclude the evidence of

the distributor at the relevant time would be a very significant matter, and would be most unjust, not least given the facility that has been extended to Montex by the Controller in his 2013 decision in relying on Montex's new evidence in respect of the adoption of the DIESEL name by it.

59. In addition to the significance of the new material as identified by the Learned High Court Judge and summarised above, if, as the evidence appears to demonstrate, there is a long history of dealing on the Irish market by Diesel SpA, but with minimal confusion, that would strongly suggest that the DIESEL mark, in the hands of Diesel SpA, is not the source of any confusion, and therefore no ground of objection arises under Section 19 of the 1963 Act.

60. Likewise, it supports Diesel's claim to registration founded on honest concurrent use.

61. Further, the additional evidence serves to confirm the timing of the expansion of the DIESEL mark by Diesel and thus its claim to an international reputation, thereby supporting Diesel's contention that the name was not adopted bona fide by Montex.

62. The Controller in his Respondent's Notice seeks that the Supreme Court affirm the Judgment of the Court of Appeal on additional grounds, the first being that it is contended to be unlikely that the additional evidence would have an important influence on the result of the case and that it merely creates a picture of a low level of sales for Diesel SpA products between 1982 and 1992. This complaint misses the point that the Controller does not appear to have accepted that Diesel had any reputation based on sales in Ireland at all during that period. The evidence of sales and marketing activity in this period, including that from the then distributor himself, may well be sufficient to convince the High Court on appeal that there was, and is, no evidence of confusion amongst a substantial number of people and the applications should proceed.

63. The Controller also asserts that there are issues of inconsistency affecting the proposed further evidence, a point which is also advanced by Montex in its Respondent's Notice. Mr Lawley has sworn an affidavit ruling out the alleged inconsistencies raised by the Controller and Montex. In any event it is a matter for the court hearing the appeal to determine the credibility of the evidence.

64. With regard to the contention in the Montex Respondent's Notice that the passage of time prejudices Montex in dealing with the evidence, the fact of the matter is the trade mark applications of Montex and Diesel are both bound up with events of a considerable time ago and all parties have to deal with the situation as they find it. In any event, it is simply not open to either the Controller or to Montex to plausibly complain of prejudice when Montex was allowed by the Controller to rely on evidence as to the conduct of a deceased person in selecting the DIESEL name for Montex in 1979, which evidence was first introduced in 2004, years after the submission of that evidence had been sought by Diesel and after the conclusion of the Montex Proceedings.

C. CROSS-APPEAL IN RESPECT OF THE BRINGING FORWARD OF EVIDENCE OF MR SHANAHAN & COSTS

65. In the Court of Appeal Diesel SpA cross-appealed against (i) the refusal of leave by the High Court to bring forward the evidence of Mr Shanahan and (ii) the High Court order by which Diesel SpA did not recover its costs of the application in the High Court. It is appreciated that in the section of the Application for Leave to Appeal in respect of Orders Sought, filed in this Court, (i) was overlooked. If so permitted by this Court, Diesel SpA seeks a variation to the Order of the High Court so as to grant leave to bring forward the evidence of Mr Shanahan. Mr Shanahan's evidence that as a person working in the fashion industry in Ireland for over 40 years, he had knowledge of the Diesel SpA DIESEL mark, that he never experienced any confusion with the Montex brand, and indeed that he did not come across it at all in the 1980s or 1990s, is all highly relevant to the questions of the

extent of the reputation of Diesel's brand in Ireland in the 1980s and of confusion.

66. The learned High Court Judge's view that the evidence would be prejudicial and difficult for Montex to deal with overlooks that it is a feature throughout the two sets of proceedings that the Court is examining the historical position. The evidence seems far less difficult to deal with than Montex's new evidence as to the adoption by it of the Montex name.

67. It is submitted that the learned High Court Judge should have directed that all of the costs should simply have followed the event, the event being that the order was given for the bringing forward of additional evidence for consideration at the hearing of the appeal.

CONCLUSION

68. An order is sought allowing the appeal and re-instating the Order of the High Court subject to its variation by granting leave for the affidavit of Mr Shanahan to be brought forward for consideration and so as to provide for award of the entire costs of the application to the High Court to Diesel SpA. An order is also sought in respect of the costs of the appeals to this Court and the Court of Appeal. It might be noted that by statute no order for costs can be made in favour of, or against, the Controller.

JONATHAN NEWMAN SC

MICHAEL CUSH SC

27 June 2019

Date | 20 April 2020
Our ref | JFM/CBK 01407140
Your ref | 2019/033

By email: supremecourt@courts.ie

The Office of the Registrar of the Supreme Court
1st Floor
Four Courts
Inns Quay
Dublin 7

**Diesel SpA -v- The Controller of Patents, Designs & Trade Marks and Montex Holdings Limited
Supreme Court Record No. 2019/033**

Dear Sirs

We act on behalf of the Appellant, Diesel SpA, in the above matter.

We confirm that we have no objection to this matter being determined on the basis of the correspondence provided to the Court, subject to addressing briefly two new points made by the solicitors for Montex, the Second Respondent, in their letter dated 2 April 2020. The only issue is whether the conditional stay imposed by the Court of Appeal should also apply to Montex's costs in this Court.

Firstly, contrary to Montex's assertion that the appeal was not justified because the issue of the scope of a trade marks appeal was not determined, or was tangential, that is contradicted by the Determination of this Court at paragraphs 17-19 and the terms of the Judgment of this Court addressing and deciding that issue – critical to the substantive appeal before the High Court - at some length.

Secondly, Montex's new complaint that Diesel SpA has not set out a basis for a stay is ill-founded because Montex's earlier objection to a stay was founded solely upon an alleged breach of the conditional stay granted by the Court of Appeal by explaining that the appeal was justified. We have addressed that point, but in any event, a stay is sought on the usual basis that it would be very wasteful for there to be a taxation and execution of costs in circumstances where the substantive appeal may very well succeed resulting in an order for costs against Montex. Montex did not appeal to this Court the conditional stay granted by the Court of Appeal.

We should be grateful if you could bring this letter to the attention of the Court.

This correspondence has been copied to the solicitors for the First Respondent and Second Respondent, respectively.

Yours faithfully



A&L Goodbody

A&L Goodbody

Copy by email to:

Philip Lee Solicitors
7/8 Wilton Terrace
Dublin 2
mgilroy@philiplee.ie

and

Chief State Solicitor's Office
Osmond House
Ship Street Little
Dublin 8
D08 V8C5
SHANE_D'ARCY@csso.gov.ie

THE SUPREME COURT

Record No. 2019 / 33

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 11 JANUARY 1994 PURSUANT TO THE TRADE MARKS ACT 1963 BY
DIESEL SPA FOR REGISTRATION OF DIESEL AND DIESEL (DEVICE) AS
TRADE MARKS IN CLASS 25 OF THE REGISTER OF TRADE MARKS**

Between:

DIESEL SPA

Plaintiff/Appellant

AND

THE CONTROLLER OF PATENTS, DESIGNS AND TRADE MARKS

First Defendant/Respondent

AND

MONTEX HOLDINGS LIMITED

Second Defendant/Respondent

**OUTLINE WRITTEN SUBMISSIONS ON BEHALF OF
THE CONTROLLER OF PATENTS, DESIGNS AND TRADE MARKS**

INTRODUCTION

1. The First Defendant/Respondent, the Controller of Patents, Designs and Trade Marks (“the Controller”), invites this Court to uphold the judgment of the Court of Appeal, which correctly:
 - a. Interpreted the test under s.26(9) of the Trade Marks Act 1963 (“the 1963 Act”) and Order 94 r.48 of the Rules of the Superior Courts (“RSC”) governing the conditions to be satisfied for the High Court, on the application

of the Plaintiff/Appellant, Diesel SpA (“Diesel”), seeking “*special leave*” to bring forward further evidence on an appeal arising before the High Court from a decision of the Controller (a “Trade Mark appeal”), in this instance, under s.26 of the 1963 Act. In so finding, the Court of Appeal reasoned that it is clear from the provisions of s.25(7) of the 1963 Act that the appeal from the High Court is “*primarily to be based on the record of the materials before the Controller*”, and, given that “*it follows that the admission of new evidence on appeal should largely be confined to exceptional or special cases*” (§41). The Court of Appeal thus held that the appropriate test is the cumulative, three-limbed, test laid down in *Murphy v. Minister for Defence* [1991] 2 I.R. 161 (“*Murphy*”),¹ which is well-established as pertaining to such applications under the identically-worded provision in (the then) Order 58 r.8 RSC governing the bringing forward of further evidence only with “*special leave*” on appeals from the High Court. The three limbs are that the evidence: (i) was in existence at the time of the trial but could not have been obtained with reasonable diligence; (ii) would probably have an important influence on the outcome; and (iii) was credible.; and

- b. Applied that test to the further evidence sought to be brought forward by Diesel, concluding that “*it is clear that this application fails the first limb of the Murphy test because all of the additional evidence now sought to be admitted on appeal could with reasonable diligence have been admitted before the Controller. Nor could it have been said that Diesel SpA was in some way taken by surprise so far as its failure to adduce this evidence was concerned, since the question of the extent of any pre-1994 user was at the heart of this application for registration*” (§42).

2. Alternatively, even if another test, such as the more liberal test in the English case *Hunt-Wesson Inc.’s Trade Mark Application* [1996] R.P.C. 233 (“*Hunt-Wesson*”), or another test advocated by Diesel (the parameters of which are not at all clear, which itself raises problems about legal certainty in Trade Mark appeals) is applied, the emphasis on the *Murphy* factors, as well as consideration of prejudice to Montex of

¹ Both the Controller and Montex appealed to the Court of Appeal (with Diesel cross-appealing in respect of the evidence that was not allowed by Binchy J. and in respect of the costs order).

admitting the evidence, desire to avoid multiplicity of proceedings and encouraging finality of litigation, weighs against the admission of the evidence.

3. The appeal before this Court arises as follows. Respective applications to the Controller, as the statutory body with the power to admit trade marks to the register, which were made, in the first instance, on 18 September 1992, by the Second Defendant/Respondent, Montex Holdings Limited (“Montex”) to register DIESEL as an Irish trade mark for clothing, and, in the second instance, on 11 January 1994, by Diesel, to register the DIESEL mark and a Diesel logo for clothing, have given rise to two separate sets of court proceedings.
4. The issues in both sets of proceedings concern, in essence: (i) which party is the “proprietor” of the DIESEL mark pursuant to s.25 of the 1963 Act (that is, which party was the first to use the mark in the State); and (ii) whether the registration of the DIESEL mark by the relevant applicant would “*create a likelihood of confusion*” under s.19 of the 1963 Act.
5. In the first set of proceedings, Diesel successfully opposed Montex’s application before the Controller and the Controller’s decision was appealed without success to the High Court and then the Supreme Court.² During those proceedings, it was found that Montex was the first to use the mark in the State for the purposes of s.25, but that the goods of both parties were on the market in the State when the first application was made, thus giving rise to a likelihood of confusion and preventing registration of the mark.
6. The same issues of: (i) first user affording entitlement to registration in the State; and (ii) confusion at the date of application arise in Diesel’s appeal from the Decision of the Controller. Evidently, the factual issues to which the evidence sought to be brought forward speaks are the same issues in dispute since Diesel filed its opposition (on 19 September 1994) to Montex’s application.
7. In these present, second, proceedings (which are separate from the first, despite Diesel’s attempt to conflate them in its legal submissions), Montex successfully

² In the first proceedings, Montex appealed to the High Court, the Controller having refused its application for registration of the DIESEL mark. The appeal was dismissed and this finding was subsequently appealed (unsuccessfully) to the Supreme Court in March 2001 (reported at [2000] 1 I.R. 577 and [2001] 3 I.R. 85).

opposed Diesel's application to register the mark before the Controller. Accordingly, Diesel appealed the Controller's decision to the High Court, and that appeal is pending.

8. As part of his decision in these present proceedings, the Controller had found that there was a "*lack of quality evidence*" (§73 of the Controller's Decision) before him on the critical issue of the use by Diesel of the DIESEL mark in the State prior to 1994 (the year of Diesel's filing of the trade mark applications in issue) and the reputation associated with that mark at that time. Consequently, in the context of its appeal to the High Court, Diesel made an application to have further evidence brought forward that was not before the Controller.
9. The further evidence that Diesel seeks to have admitted is, in essence, as summarised by the Court of Appeal as follows (§14):

"The plaintiff accordingly brings this application to adduce further evidence to address the evidential deficiencies identified by the Controller. While fuller particulars of this proposed new evidence are set out in detail at paras. 9 et seq. of the judgment of Binchy J., it can nonetheless be summarised as comprising: (1) Better copies of invoices which had been 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 seeking to disprove the sale of goods bearing the Montex brand in Ireland during the relevant period and, finally, (7) Documents of public record comprising the certificate of registration of the plaintiff's trademark in Italy, and the certificate of incorporation of Montex."

10. An application to bring forward evidence in an appeal to the High Court from a decision of the Controller requires "*special leave*" pursuant to s. 26(9) of the 1963 Act and Order 94, r.48 RSC.
11. The starting point for this Court is the judgment of the Court of Appeal, delivered on 2 October 2018 ([2018] IECA 299), by which the Court (Hogan J., *nem. diss.*) reversed the High Court's decision and affirmed that the *Murphy* test applies to applications to admit fresh evidence in Trade Mark appeals from decisions of the Controller, as it

applies to appeals from the High Court to, formerly, the Supreme Court and, now, the Court of Appeal.

12. In his judgment of 9 June 2016 ([2016] IEHC 415), Binchy J. had allowed, in part, Diesel's application, applying the *Hunt-Wesson* test rather than the established test in *Murphy*.
13. The High Court allowed the application notwithstanding certain clear findings made by it, which were expressly recorded, and their effects analysed, by the Court of Appeal (at §§37–38):

“37. In his judgment Binchy J. made two key findings of fact which have not really been challenged for the purposes of this appeal. First he found that it was 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.’ Second, he noted that ‘no explanation has been given’ for the delay. He further observed that it was clear that the evidence which was 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.’

*38. In effect, therefore, it seems clear that in the wake of the Controller’s decision, Diesel SpA decided to bolster its case in respect of pre-1994 user following a thorough review of its own records with a view to mending its hand before the High Court by having this further evidence admitted for the purposes of any appeal. In my view, this is an approach which should not be permitted and it flies in the face of the *Murphy* principles, and echoes the concerns of *Laffoy J. in Unilever.*”*

THE ISSUES BEFORE THIS COURT

14. The issues before this Court are: (i) the correct standard governing the granting of “*special leave*” to bring forward further evidence for the consideration of the Court pursuant to s. 26(9) of the 1963 Act and Order 94, rule 48 RSC; (ii) the application to the evidence sought to be admitted of that standard or another standard which appears to be advocated by Diesel, namely the one applied by the High Court which accords

with criteria laid down in the judgment in *Hunt-Wesson* (Laddie J.) which adopts a more flexible approach to the admission of fresh evidence in Trade Mark appeals, before the English courts.³ In fact, Diesel does not unequivocally suggest what standard this Court ought to consider as applying.

15. In any event, the current approach of the English courts in Trade Mark appeals is to give prominence to the three factors in the English equivalent of *Murphy* – namely, the judgment in *Ladd v. Marshall* – and to have regard to certain other factors such as those in *Hunt-Wesson*. The Controller submits that on the proper application of those criteria, this Court ought to refuse Diesel’s application to bring forward further evidence, given the uncontested factual findings of the High Court, as identified also by the Court of Appeal and this Court and the other circumstances.

DIESEL’S GROUNDLESS CLAIMS AS TO UNFAIRNESS

16. Diesel has raised some ill-founded claims as to serious unfairness and lack of even-handedness on the part of the Controller, who, it is alleged, “*greatly facilitated Montex in mending its hand*” but did not afford the same opportunity to Diesel. This allegation conflates the two sets of proceedings arising from the two separate applications to register the DIESEL mark and is entirely unfounded.
17. The request for an explanation from Montex made by Diesel before the Controller that gives rise to this allegation was in the course of Montex’s earlier application to register the DIESEL mark, during which Montex (in support) and Diesel (in opposition) could submit any evidence. Therefore, regardless of whether or not this allegation can bear scrutiny (and, for the avoidance of doubt, the Controller submits strongly that it cannot), it is irrelevant to the matter of fairness in the present unrelated proceedings.
18. Diesel’s baseless claims as to unfairness do not constitute an exceptional basis for allowing Diesel to bring forward fresh evidence either on the application of the *Murphy* test, the *Hunt-Wesson* test or another test. Rather, it is the case that the chronology of

³ The list of *Hunt-Wesson* factors are: “(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.”

events and the interplay between the two sets of proceedings would militate against such liberty being afforded to Diesel. In that regard:

- a. In the first proceedings, the request for an explanation and further evidence as to user of the DIESEL mark in Ireland arose in Montex's earlier application (made on 18 September 1992), during which Montex (in support) and Diesel (in opposition) could submit any evidence;
- b. These second proceedings concern Diesel's application (made on 11 January 1994), which Montex opposed;
- c. These opposition proceedings are separate and parties need not rely on identical evidence in each of them;
- d. During the second proceedings, all evidence was adduced in accordance with the Trade Mark Rules 1963. Montex submitted evidence of how it adopted its trade mark DIESEL. While Montex had not submitted such evidence during the first proceedings in support of its own application, it was not required to. Nor was it barred from doing so when in opposition;
- e. During Montex's opposition, Montex did not seek to withdraw, substitute or amend any of its evidence. Accordingly, there was no question of Montex ever mending its hand, or of the Controller facilitating Montex to mend its hand. Further, on the present appeal, this Court is being asked to allow Diesel to jettison evidence that it has relied upon since the commencement of the first proceedings between itself and Montex, and to replace it with completely new and/or additional and contradictory evidence, which gainsays evidence that Diesel has relied upon for over 20 years. Accordingly, it is Diesel who is now seeking to mend its hand, not Montex;
- f. Further, in its legal submissions (§20), Diesel seeks to mischaracterise the oral evidence given by Mr McKenna on behalf of Montex during the second proceedings, as being an example of the alleged unfairness dealt Diesel by the Controller, when, in fact, this was in ease of Diesel itself. In that regard, the Controller granted a request that Diesel be permitted to cross-examine one of Montex's deponents on the issue of how Montex had come to adopt its

DIESEL mark, thus accommodating Diesel in an unusual practice of permitting cross-examination, a practice which has certainly not happened since the second proceedings. The Controller strongly objects to Diesel's claims that he favoured Montex in the proceedings; During this second set of proceedings before the Controller, all evidence was adduced in accordance with the Trade Mark Rules 1963. Montex submitted evidence of how it adopted its DIESEL mark. While it had not adduced the same evidence during the first proceedings in support of its own application, it was not required to. Nor was it barred from doing so when in opposition. During its opposition to Diesel's application, Montex did not seek to withdraw, substitute or amend any of its evidence;

- g. Most significantly, no application by Diesel to adduce further evidence under r.40 of the Trade Mark Rules 1963 was made to the Controller (despite the fact that the critical nature of the pre-1994 user issue must have been apparent to Diesel since Montex's proceedings seeking to register the mark) and no such application was – or could have been – refused by the Controller. Therefore at no time during the second proceedings did Diesel seek to supplement its evidence by adducing further evidence in addition to what it had relied upon in the first proceedings;
- h. In fact, the only unusual procedural step that was taken before the Controller in the present proceedings concerning Diesel's application is that the Controller granted a request for Diesel to cross-examine one of Montex's deponents on the issue of how Montex had come to adopt its DIESEL mark, thus accommodating Diesel in circumstances where cross-examination is highly unusual in proceedings before the Controller;
- i. The Controller's decision which is now at issue in the appeal before the High Court closes the second proceedings. As indicated, no application by Diesel to adduce further evidence was made to the Controller at any stage before that. Neither was any such application made subsequent to the Controller's decision, despite Diesel's contention to the contrary in its Notice of Appeal, and no such application was – or could have been – refused by the Controller;

- j. The Court of Appeal was aware of the different, reversed positions (Judgment, §6), that in opposition Montex could adduce what it wished in addition to the evidence it had adduced in the first proceedings (§12), and that the pre-1994 user issue had been identified as critical since the first proceedings and did not surprise Diesel (§39).
19. For the above reasons, the Controller strongly denies Diesel's claims that he has favoured Montex and/or that there has been any procedural unfairness.
20. Second, the Controller strongly opposes Diesel's contention that, by rejecting Diesel's trade mark application, the Controller accepted the explanation that had been offered by Montex for the origin of its trade mark DIESEL, and also found that Montex did *bona fides* adopt the DIESEL name in 1979. This is not correct. Rather, it is clear from the Controller's decision that he did not reach any definitive conclusions on whether or not Montex's adoption of the DIESEL mark was *bona fide*. What the Controller found was that Diesel could not provide any evidence whatsoever to support its claim that Montex must somehow have copied it DIESEL brand and that, accordingly, the Hearing Officer stated that the explanation offered by Montex "*might just be true*" (§87 of the Controller's decision). This is reinforced by the finding (§88 of the Controller's decision) that he has not reached any conclusions regarding Montex's *bona fides*, putting aside Montex's explanation and considering alternative explanations.
21. Third, Diesel claims that the Hearing Officer in the decision under appeal took a different view of the extent of Diesel's reputation and goodwill in the State as had been taken by the Hearing Officer on behalf of the Controller, and the courts in the first proceedings. This is true. However, this was in the context of different and separate proceedings, with the benefit of more evidence than in the first proceedings and the analysis of a different Hearing Officer. Even the judgment of the Supreme Court in *Montex Holdings Ltd v. Controller of Patents, Designs and Trade Marks* [2001] 3 I.R. 85 was less certain than the Hearing Officer in the first proceedings (Mr Skinner) about Diesel's claimed reputation, and found only on the balance of probability that it had acquired a reputation.⁴ In the context of an administrative procedure where parties are

⁴ The Hearing Officer found as follows at §17 of his decision: "*Now the assertion that the opponents had a reputation for the name (DIESEL) in the State prior to September 1992 cannot be conclusively determined from the evidence I believe, but the probability is that goods manufactured by DIESEL S.p.A. were sold*

able to bring or oppose multiple applications for registration of trade marks, and where individual and separate determinations and judgments are made at each stage, there is no logic or legal basis to Diesel's claim that it was expected to assume that the Hearing Officer would reach the same decision on the issue of user and reputation and, accordingly, that a change of that position could be characterised as an unexpected turn of events. Accepting Diesel's argument would amount to putting the Controller in a straightjacket rendering him unable to exercise independent decision-making powers, within, of course, the lawful bounds of his discretion.

THE COURT OF APPEAL'S FINDINGS AND WHY THEY SHOULD BE UPHELD

The proper identification of the test for special leave for further evidence in a Trade Mark appeal

22. The Court of Appeal unanimously and unambiguously held, rightly, that the test for "special leave" in s.26(9) of the 1963 Act and Order 94, r.48 RSC for bringing forward evidence on an appeal from a decision of the Controller to the High Court (under s.57 of the 1963 Act) is informed by the nature of the appeal.
23. In that regard, the Court of Appeal held that provisions of s.25(7) of the 1963 Act "plainly envisage that the appeal from the Controller to the High Court will be based on the materials which were before the Controller at first instance and that the admission of any new evidence on appeal will only thereafter be adduced with the [special] leave of the High Court itself" (§31). Accordingly, the Court of Appeal properly held that "the scope of appeal thereby envisaged is in many respects indistinguishable from that which prevailed in appeals from the High Court to the Supreme Court prior to the establishment of the Court of Appeal in October 2014 and, since that date, in respect of appeals from the High Court to this Court" (§21).
24. The Court of Appeal, therefore, lawfully concluded that, given the identity of the test governing appeals under Order 58, r.8 RSC (as then constituted), namely, "special leave", the nature of an appeal from the Controller to the High Court is governed by the

into Ireland prior to September 1992, and the probability is that the opponents' goods were sold in Ireland prior to September 1992, under the name (DIESEL) and that these sales were of sufficient quantity to acquire a reputation" (emphasis added).

same principles as an appeal from the High Court to the Court of Appeal (or from either of those courts to the Supreme Court). On that basis, the Court of Appeal held that the established case law interpreting the test for special leave to adduce further evidence pursuant to Order 58, r.8 RSC, namely *Murphy and Emerald Meats Ltd v. Minister for Agriculture* [2012] IESC 48, applied. The Court of Appeal, accordingly, gave effect to the important public policy objectives associated with the finality of litigation and the desirability that the parties advance their entire case when given the appropriate opportunity to do so (§24).

25. Diesel has failed to identify any error in the Court of Appeal’s conclusion as to the scope of an appeal from the Controller to the High Court or, consequently, in its conclusion as to the test for bringing forward further evidence on such an appeal.
26. The judgment of the former Supreme Court in *Philadelphia Storage Battery Co. v. Controller of Industrial and Commercial Property* [1935] I.R. 575 (and its adoption in subsequent High Court judgments), which is the sheet-anchor of Diesel’s appeal, is not determinative of, or, indeed, directly relevant to the question either of the specific issues before this Court, namely the test for obtaining “*special leave*” to bring forward further evidence or of its context, namely the nature and scope of an appeal from the Controller to the High Court. The judgment in *Philadelphia Storage Battery Co.* was before the Court of Appeal, was referred to in both Diesel’s written and oral submissions, and appears not to have been considered by the Court of Appeal as governing the issue before it.
27. First, *Philadelphia Storage Battery Co.* concerns the standard of review by the High Court on an appeal from a decision of the Controller to the High Court (and, specifically, an appeal under the old legislation, being the Industrial and Commercial Property (Protection) Act 1927). It does not concern either the nature or scope of such an appeal; neither does it concern the question in issue here, namely the criteria constituting the test governing the bringing forward of further evidence before the High Court that was not before the Controller, in circumstances where the 1963 Act and Order 95 r.48 RSC both require that an appeal be on the same evidence as before the Controller, save if special leave for further evidence is given..

28. Second, the finding in *Philadelphia Storage Battery Co.* that the High Court, on appeal, could reach its own view “*untrammelled*” by the “*views of the Controller*” is, in any event, consistent with the proper nature of such an appeal and the test for bringing forward further evidence with “*special leave*” as found by the Court of Appeal.
29. While the High Court is obliged to consider the same evidence that was before the Controller, unless exceptional circumstances pertain, the fact that it must reach its own view on that evidence “*untrammelled*” by the views of the Controller does not warrant that the rehearing before the High Court ought to permit a more liberal regime for the admission of fresh evidence. In particular, it is evident, even from the judgment in *Philadelphia Storage Battery Co.* that the decision of the Controller, being the first instance body, is still relevant to the appeal by the High Court. Kennedy C.J. held at 593 that:

“In my opinion, therefore, while we read the views of the Controller with respect and in the present case with admiration of the clarity and ability of his statement of them, we are quite free to form our own opinion untrammelled by them.”

30. Accordingly, therefore, Diesel is wrong to suggest that a Trade Mark appeal is of the nature of, for example, a *de novo* appeal or similar to that of an appeal from the Circuit Court to the High Court.⁵
31. In *Fitzgibbon v. Law Society* [2015] 1 I.R. 516 at 551, having set out these four types of appeal, Clarke J. stated the following in respect of *de novo* appeals at 551 and 552:

“It seems to me that the critical characteristics of a de novo appeal are two fold. First, the decision taken by the first instance body against whose decision an appeal is brought is wholly irrelevant. Second, the appeal body is required to come to its own conclusions on the evidence and materials properly available to it. The evidence and materials which were properly before the first instance body are not automatically properly before the appeal body. It seems to me that, by defining an appeal as a de novo appeal, any legally effective instrument necessarily carries with it those two requirements.”

⁵ The test for admission of “fresh evidence” on a Circuit Court appeal under Order 61 r.8 RSC is different from that under Order 94, r.48 RSC, Order 58, r.8 RSC and s.26(9) of the 1963 Act, being by way of service of an affidavit setting out the nature of the evidence and reasons why it was not submitted to the Circuit Court. Special leave is not required.

32. Neither of those criteria applies to a Trade Mark appeal.
33. In appeals from decisions of the Controller, “*the evidence and materials properly available*” to the High Court are defined by s.26(9) of the 1963 Act, which necessarily provides that it excludes “*further material*” save with special leave, and Order 94 r.48, which states that it shall be on “*the same evidence as that used at the hearing before the Controller.*” The fact that the High Court will come to its own conclusion on those materials, untrammelled by the Controller’s views, in no way affects the governing provisions on the proper materials that ought to be considered by the High Court, in accordance with the legislative schema applying to Trade Mark appeals.
34. Further, *Philadelphia Storage Battery Co.* was decided under the previous legislation, namely the 1927 Act. Insofar as it has been referred to and applied subsequently by the High Court in the context of appeals under the 1963 Act, no proper consideration has been given to whether or not this interpretation of the standard of review to be applied to a decision of the Controller on an appeal to the High Court ought to be the same; rather, Budd J. in *Re Hamilton Cosco Inc.* [1966] I.R. 266 simply said that it appeared that the legislation had not changed the position, referring to *Philadelphia Battery Storage Co.* at 267–268 as follows:

“The views of the Supreme Court in that case do not appear to have been affected by the Legislature in the enactment of the Trade Marks Act, 1963. Sub-sects. 1, 2 and 4 of s. 57 of the Act of 1963 state:—

‘(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.'

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."

35. Furthermore, the only considerations of the *dicta* in *Philadelphia Storage Battery Co.* has been at High Court level; no Court of Appeal or Supreme Court has considered it, and for that reason also the Court of Appeal judgment cannot be considered as having been arrived at *per incuriam*.
36. Even if the Court of Appeal's interpretation of ss. 26 and 57 of the 1963 Act and Order 94, r.48 RSC are inconsistent with *Philadelphia Storage Battery Co.* (which, for the avoidance of doubt, is not accepted by the Controller), this provides no basis for contending that the Court of Appeal erred in determining the test to be applied to the admission of new evidence on appeal.
37. In fact, insofar as this issue may be at all relevant, it is clear from the judgment of Laffoy J. in *Carrickdale Hotel Ltd v. Controller of Patents* [2004] 3 I.R. 410 that, given more recent jurisprudence that has been developed in the increasingly broad canvas of statutory appeals and reviews, it is questionable whether the standard of review in *Philadelphia Storage Battery Co.* referring to the test of being "untrammelled" by the views of the Controller is still good law. Laffoy J. found at 422 as follows:

"As a general proposition, and leaving aside the effect of s.57(2), it seems to me that it is not possible to reconcile the approach adopted historically on appeals from decisions of the Controller in those trade mark matters with the modern jurisprudence on the approach which the court should adopt to reviewing the decisions of expert administrative tribunals."
38. The role of the Controller in determining applications for the entry of trade marks on the Register under the 1963 Act is comparable to that of the High Court adjudicating on

disputes, and the Court of Appeal rightly so held (at §21). Therefore, the guiding principle of ensuring finality in legal proceedings applies.

39. Despite Diesel's claims to the contrary, before the Controller there can be production of documents and, exceptionally, cross-examination of witnesses; in the present proceedings, Diesel itself requested and was allowed by the Controller to cross-examine one of Montex's witnesses. Proceedings before courts can also concern issues of public interest; this is not limited to proceedings before the Controller. Opposition proceedings are akin to *inter partes* disputes. The possibility of submitting a new application and new evidence in support is not inconsistent with certain High Court applications and proceedings. Accordingly, the Court of Appeal rightly held that the policy of having finality in litigation and bringing forward best evidence at the appropriate time also applied to proceedings before the Controller as it does before the courts.
40. Next, having properly concluded that "*special leave*" in s. 26(9) of the 1963 Act and Order 94, r.48 RSC bore the same meaning as "*special leave*" in Order 58, r.8 RSC, the Court of Appeal lawfully determined that the well-established principles in *Murphy* applied. The Court of Appeal rightly concluded that nature of the appeal is evident from the face of the legislative provisions, in particular from s. 25(7) of the 1963 Act and Order 94 r.48 RSC. Nothing in these provisions, as referred to by, and, as informed the Court of Appeal's judgment, suggests that the test for the grant of "*special leave*" for the bringing forward of further material for the consideration of the Court under s. 26(9) of the 1963 Act ought to be different and/or more liberal than that in *Murphy*.
41. Specifically, the Supreme Court's decision in *Murphy v. Minister for Defence* [1991] 2 I.R. 161 is authority for the principles governing the granting of leave to admit new evidence on the hearing of an appeal. In *Murphy*, Finlay C.J. described the test (at 164):

"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.*”

42. Allied to this, is the “exception” that was identified by O’Donnell J. in *Emerald Meats* for the *Murphy* test to be applied with reasonable flexibility in certain circumstances, this principle being applied subsequently in the judgment of this Court in *Murphy v. Gilligan and others* [2014] IESC 43 (at §4.4):

“In a recent consideration of that test by this Court, in Emerald Meats Ltd v. Minister for Agriculture & Ors [2012] IESC 48 para.37, O’Donnell J. 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.’”

43. Contrary to Diesel’s submissions, and as found by the High Court, the test in *Hunt-Wesson* ought not to be followed by the Irish courts given that it does not give sufficient emphasis to the “*fundamental – public policy objectives of securing finality in litigation*” as was rightly recognised by the Court of Appeal (§32). Further, the Court of Appeal held that, as an appeal from the Controller to the High Court is “*in substance similar to the appeal from the High Court on appeal, it would be somewhat artificial to say that the Murphy principles do not, in effect, bind this Court*”, presenting a further obstacle to adopting the *Hunt-Wesson* approach (§34; see also §21).

44. The Court of Appeal properly interpreted the findings of Laffoy J. in *Unilever v. Controller of Patents* [2005] IEHC 426 (based upon the application of the more lenient *Hunt-Wesson* test, but on the basis of the agreement of the parties only rather than as determined by the court) refusing the application to admit new evidence, and observing that it would create a “*bad precedent*” as 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)”.

45. The Court of Appeal rightly identified a flood-gates argument that would arise in circumstances if an exception were to be made in respect of the admission of new evidence on appeal in cases involving the registration of intellectual property rights, by reference to other types of cases involving public registers and other types of applications involving administrative law (§32).
46. In light of the clear public policy objectives associated with the finality of litigation and the desirability that the parties advance their entire case when given the appropriate opportunity to do so, as underpinning the judgment and principles in *Henderson v. Henderson*, as re-stated by O’Donnell J. in *Emerald Meats*, and as recalled by the Court of Appeal here (§§22–25), the Court of Appeal had a sound basis for apprehending that there might be “*casualness on the part of those who are indifferent to the necessity to secure the orderly and efficient administration of justice*” (§33). This was particularly apt in the circumstances, given that Diesel had known that the pre-1994 user issue was critical to its application since it had made its application for registration some eighteen years before the hearing before the Controller.
47. Further, the Court of Appeal’s judgment was consistent with the application of the *Murphy* principles by Laffoy J. in *Carrickdale Hotel Ltd*, which concerned an appeal against the award of an arbitral tribunal under the Copyright Act 1963 resolving a royalty dispute, where Order 94 r.48 also applied. Laffoy J. held that:

“There was no controversy as to the criteria which the court should apply in determining whether to allow the additional evidence. It was common case that the general principles on which the Supreme Court admits additional evidence, as set out by the Supreme Court in Murphy ... are applicable.”

The proper application of the Murphy test by the Court of Appeal

48. In light of the above, firstly, the Court of Appeal correctly held that the three-limbed test in *Murphy* applied and, moreover, that the limbs of that test are cumulative. Further, the Court of Appeal noted that the High Court judgment made “*two key findings of fact which have not really been challenged for the purposes of this appeal*”,

specifically, first, that “*it was 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’*” (§37).

49. Second, the Court of Appeal noted that “*no explanation had been given*” for the delay (§37). The Court of Appeal held this to be evidence that Diesel could, with “*reasonable diligence, have obtained at the hearing before the Controller, so that it fails the very first limb of the Murphy test*” (§39). Further, the Court of Appeal held that there was no exceptional circumstance of the kind contemplated in *Emerald Meats*, there being no “*question of any surprise because this entire question – i.e. pre-1994 user – was critical to both the Montex Holdings proceedings before the Supreme Court and it was central again to the hearing before the Controller*”, that first hearing before the Controller taking place eighteen years after Diesel’s application for registration was first lodged, allowing Diesel ample time to review its files (§39).
50. Further, the Court of Appeal specifically addressed the *Emerald Meats* proviso, which applies where the course of evidence in the High Court “*takes an unexpected turn and one party is thereby hampered by this unanticipated sequence of events from advancing rebutting evidence which might otherwise have been available*” (§26).
51. In that regard, the Court of Appeal expressly turned its mind to this (at §39 and §42), concluding that it could not be said that Diesel was taken by surprise so far as its failure to adduce this further evidence was concerned, since the question of the extent of any pre-1994 user was at the heart of its application for registration. Furthermore, even in the first proceedings, the Hearing Officer had referred to the lack of evidence adduced by Diesel in opposition on the precise issue of its pre-1994 user of the DIESEL mark in Ireland (at §14). The decision of the Controller of 7 September 2013 does not constitute an “*unexpected turn of events*” within the meaning of *Emerald Meats* or at all.
52. Given that the Court of Appeal rightly treated the *Murphy* test as comprising cumulative limbs (as affirmed in *Student Transport Scheme Ltd v. Minister for Education and Skills* [2015] IECA 303), and, further, concluded that Diesel’s application seeking special leave to bring forward further evidence failed the first limb of that test, there was no need for the Court of Appeal to consider any other

circumstances, including the relevance and significance (if any) of the further material sought to be brought forward. There was no unfairness in excluding Diesel's evidence, for any reason including those that were given by the High Court.

ENGLISH CASE LAW AND THE CURRENT APPLICATION OF *HUNT-WESSON*

53. The Court of Appeal rightly found that *Hunt-Wesson* did not apply in this jurisdiction. Insofar as this Court may diverge from this view (and the Controller submits that there is no basis upon which to do so), it is significant that the courts in England and Wales have moved even further away from interpreting the *Hunt-Wesson* factors as replacing the fundamental test in *Ladd v. Marshall* [1954] 1 W.L.R 1489. Diesel concedes at §45 of its submissions that the *Hunt-Wesson* test “*can be no more than a range of non-prescriptive considerations*” but, in the absence of putting forward any alternative test, appears to be maintaining its position that the Irish courts should give *Hunt-Wesson* precedence over the established *Murphy* test (at §§50–55), although in a rather lacklustre fashion. The Controller submits that Diesel's position in this regard is not tenable, particularly in light of subsequent developments in the English courts.
54. In English law, *Ladd v. Marshall* was traditionally unequivocally recognised as applying to Trade Mark appeals. The judgment sets out a general test for admitting fresh evidence admitted on appeal that is, in essence, identical to the test adopted by the Supreme Court in *Murphy*.⁶
55. The decision in *Hunt-Wesson* represented a significant departure from this view. Laddie J. found that trade mark opposition proceedings differed from private litigation as a refusal to admit further evidence might affect the wider trade or industry as well as the opponent to registration of the mark. He therefore held that the court should consider a number of further factors in addition to those set out in *Ladd v. Marshall* in determining whether or not on the particular facts of the case further evidence should be admitted in a Trade Mark appeal.

⁶ It should be noted, in respect of interpretation of the test in the two jurisdictions, that there has been a change in the applicable rules for adducing new evidence on appeal in the superior courts in England and Wales since *Ladd v. Marshall*. RSC Order 59, rule 10(2) (repealed May 2000), which applied when *Ladd v. Marshall* was decided, required “*special grounds*” to admit fresh evidence. The current position is as set out in CPR rule 52.21(2), which provides that: “*Unless it orders otherwise, the appeal court will not receive: (a) oral evidence; (b) evidence which was not before the lower court.*”

56. Although Laddie J.'s decision was followed in a number of cases, including by Sir Richard Scott V.C. in *Club Europe Trade Mark* [2000] R.P.C. 329 (relied upon by Diesel at §47), concerns were voiced by Pumfrey J. in *Wunderkind Trade Mark* [2002] R.P.C. 45 that the *Hunt-Wesson* criteria could not apply in light of the new procedural rules adopted in that jurisdiction, as what had been a rehearing was now a review.
57. A definitive view on the matter was given by Aldous L.J. in *E.I. Du Pont De Nemours & Company v. S.T. Dupont* [2003] EWCA Civ. 1368 (also relied upon by Diesel at §48). Finding that the introduction of the CPR was a change of terminology rather than a change of substance and therefore overruling Pumfrey J. to this extent, Aldous L.J. found at §103 that “*trade mark appeals should not be treated differently from other appeals*” and, further, that:

“*Pumfrey J in my view correctly summarised the position in paragraph 57 of his judgment, where he said:*

There is no doubt that in a trade mark appeal other factors outside the Ladd v. Marshall criteria may well be relevant. Thus in my judgment it is legitimate to take into account such factors as those enumerated by Laddie J in Hunt-Wesson, provided always that it is remembered that the factors set out in Ladd v. Marshall are basic to the exercise of the discretion to admit fresh evidence and that those factors have peculiar weight when considering whether or not the overriding objective is to be furthered.”

58. More recently, the English courts have provided further clarification on how *Ladd v. Marshall* and *Hunt-Wesson* fit into a broader schema for the test to admit fresh evidence in a Trade Mark appeal, emphasising that it is *Ladd v. Marshall* that defines the gateway factors that must be considered before any further discretionary matters come into play.
59. In *Gerry Weber International AG v. Guccio Gucci SpA* [2015] R.P.C. 284, Daniel Alexander Q.C., sitting as the Appointed Person to hear an appeal from the Trade Mark Registrar, held that in respect of the discretion to consider the *Hunt-Wesson* factors, that the “*Ladd v. Marshall factors are basic to the exercise of the discretion*” (§14). He went on to note at §15 that counsel for the applicant had contended:

“rightly, that there is a public interest in the finality of proceedings and, if parties do not do a sufficient job with their evidence in the first round, that is too bad: the rules are clear that this should be done, they are well known and there was no proper excuse for not complying with them.”

60. Having allowed the admission of fresh evidence in the *Gucci* case, the Appointed Person was careful to make absolutely clear that this in no way suggested a more lenient test, stating at §79 as follows: *“This case is exceptional and it should not be thought that, in general, appellate tribunals in trade mark matters will permit a party to remedy an evidential deficiency on whatever terms.”*
61. In *Consolidated Developments Ltd v. Cooper* [2018] EWHC 1727 (Ch.), Carr J. at §33 summarised the principles that apply:

“The cases to which I have referred establish the following principles in respect of the admissibility of fresh evidence in trade mark appeals, sought to be introduced for the first time on appeal:

- (i) the same principles apply in trade mark appeals as in any other appeal under CPR part 52. However, given the nature of such appeals, additional factors may be relevant;*
- (ii) the Ladd v Marshall factors are basic to the exercise of the discretion, which are to be applied in the light of the overriding objective;*
- (iii) it is useful to have regard to the Hunt-Wesson factors;*
- (iv) relevant factors will vary, depending on the circumstances of each case. Neither the Ladd v Marshall factors nor the Hunt-Wesson factors are to be regarded as a straightjacket;*
- (v) the admission of fresh evidence on appeal is the exception and not the rule;*
- (vi) the Gucci decision does not establish that the Court or the Appointed Person should exercise a broad remedial discretion to admit fresh evidence on appeal so as to enable the appellant to re-open proceedings in the Registry; and*

(vii) *where the admission of fresh evidence on appeal would require that the case be remitted for a rehearing at first instance, the interests of the parties and of the public in fostering finality in litigation are particularly significant and may tip the balance against the admission of such evidence.”*

62. In the recent case *Trump International Ltd v. DTTM Operations LLC* [2019] EWHC 769 (Ch.), an appeal was brought to a decision by a hearing officer to refuse an application to register a mark on the basis that it had been made in bad faith. The appellant argued that it should be allowed to adduce further evidence to show that this was not so.
63. After noting the different factors that he had identified in *Consolidated Developments Ltd*, in refusing the application to adduce new evidence, Carr J. found that the evidence could have been obtained with reasonable diligence and no adequate explanation had been offered for the failure to serve it in the Registry, that the evidence, if given, would not have an important influence on the result of the case, and that the assertion of an intention to use the mark was not credible evidence. In essence, as is clear from the findings, Carr J. applied the *Ladd v. Marshall* test, implicitly emphasising that this is and remains the baseline test for Trade Mark appeals.
64. Perhaps even more significantly, the only ground beyond the *Ladd v. Marshall* test upon which Carr J. refused the application to admit new evidence was the importance of the finality of litigation, which he emphasised at §81:

“In my judgment, the admission of the additional evidence would require that the case be remitted for a rehearing at first instance. Given the issues as to its credibility, DTTM would be entitled to cross-examine the deponents, and to seek disclosure of documents. This would be unfair, since DTTM has already won the Opposition. The interests of the parties and of the public in fostering finality in litigation are particularly significant and indicate that the additional evidence should not be admitted.”

65. The importance placed by the English courts on the need for finality in trade mark litigation, ought, if it is deemed necessary to seek guidance at all from the English jurisprudence, to be highly persuasive for the Court.

66. Diesel contends at §§40–41 of its submissions that the importance of finality in proceedings does not apply to Trade Mark appeals in the same way as to normal court proceedings, suggesting at §41 that “*In permitting a renewed application even after a rejection, the Legislature has clearly made an assessment that the public policy favouring the registration of valid trade marks should be prioritised over the public policy in favour of the finality of proceedings.*”
67. The recent English case law set out above shows the flawed logic of this argument, as finality in proceedings is emphasised. This does not detract from the public interest in an application being fully considered and determined at first instance. Every application is a separate process and may involve entirely different evidence; the possibility of a further application cannot be used as an excuse to mend an applicant’s hand on appeal.
68. In that regard O’Donnell J.’s very sound warning in *Emerald Meats* that 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*”, is completed by that of Lewison L.J. who stated in *FAGE UK Ltd v. Chobani UK Ltd* [2014] EWCA Civ. 5 at §114 that “*The trial is not a dress rehearsal. It is the first and last night of the show.*” Although this *dictum* was made in respect of whether or not appellate courts should interfere with findings of fact made by a court of first instance, in *Consolidated Developments v. Cooper* [2018] EWHC 1727 (Ch.), Carr J. held that this was the correct perspective on the admission of fresh evidence on appeal, holding at §19 that:

“This emphasises the need to adduce all relevant evidence at the first hearing, rather than to attempt to adduce further evidence on appeal. Once the last night of the show has finished, the audience are unlikely to be interested in additions to the script.”

ALTERNATIVE GROUNDS UPON WHICH THE COURT OF APPEAL CAN BE UPHeld

69. Given that the *Murphy* test comprises cumulative limbs (as affirmed in *Student Transport Scheme Ltd*), the decision of the Court of Appeal could also be affirmed on the grounds that the evidence sought to be brought forward by Diesel equally fails the second and third limbs of that test. There was no basis for concluding that the further evidence:

- a. would “*probably have an important influence on the result of the case*” (second limb), particularly given the finding of fact made by the High Court that the further evidence appeared merely to “*create a picture of a low level of sales and marketing activity for the plaintiff’s products in Ireland during the years 1982 to 1992*”; and/or
 - b. is “*such as is presumably to be believed or, in other words, it must be apparently credible, though it need not be incontrovertible*” (third limb), given that issues of real inconsistency as between the evidence adduced by Diesel’s deponents in its further evidence were apparent, in particular, when seeking to explain Diesel’s earlier evidence.
70. Further, even if the *Murphy* test is not applied, on the application of the *Hunt-Wesson* factors or a similar test along the lines of the approach now taken by the English courts in place of the *Murphy* test, Diesel’s further evidence should still not be admitted (and the Court of Appeal’s order, should thereby be affirmed) in view of the chronology of the proceedings, facts of the case and nature of the evidence as recorded in the judgment of the High Court itself.
71. There are no special circumstances related to trade mark proceedings in general or Diesel’s application for registration of the DIESEL trade mark in particular that raise issues of policy or, indeed, of fairness, that would warrant the admission of Diesel’s further evidence.

THE CONTROLLER’S POINT MAINTAINED FROM ITS APPEAL BEFORE THE COURT OF APPEAL

72. While not raised as a Cross Appeal before this Court, the Controller seeks leave to argue a net point (which occupied one paragraph of its written case before the Court of Appeal) and which could arise only in circumstances where this Court reinstated the judgment of the High Court as Diesel has asked it to do. In those circumstances, the Controller maintains that to do so without making allowance for the manner in which the further evidence could be brought forward by varying the High Court order would be an error.

73. In that regard, the Controller maintains that the High Court erred in allowing Diesel to bring forward new documentary evidence consisting of exhibits to the affidavits of Mr Iesurum while excluding the affidavits themselves. This is because the documentary evidence is purportedly being brought forward without being deposed to. The law is clear that “[a] document is not capable of being received in evidence at all unless it has first been proven in terms of its content and due execution” (*Leopardstown Club Ltd v. Templeville Developments Ltd* [2010] IEHC 152 at §5.19). In this regard, see also *Curran v. Finn* (Unreported, Supreme Court, 20 May 1999), in which the Court (Murphy J., at p.2) highlighted the “*dangers and difficulties of examining or analysing documents provided on discovery or put in evidence by agreement without the sworn testimony of the author and his explanation of the records made by him*”. The Controller also relies on the judgment of this Court in *RAS Medical Ltd v. The Royal College of Surgeons in Ireland* [2019] IESC 4.
74. As Mr Iesurum’s affidavits ought not be admitted, neither ought the exhibits.

POINTS MAINTAINED BY DIESEL FROM ITS CROSS-APPEAL

75. The Controller does not object to Diesel making submissions on the points raised in its cross-appeal before the Court of Appeal, albeit not pleaded in the Application for Leave to Appeal, on condition that Diesel does not object to the Controller similarly maintaining a point from its appeal before the Court of Appeal (objection to evidence not deposed to, which is addressed below).
76. On the substance of Diesel’s maintained point from its cross-appeal, the Controller maintains its opposition as before the Court of Appeal, The Controller resists the cross-appeal insofar as Diesel seeks the admission of the affidavit of Mr Shanahan and those parts of Mr Iesurum’s affidavits referring to exhibits which the High Court gave special leave to admit.
77. The High Court rightly concluded that Mr Shanahan’s evidence, which depends on his memory in 2014 of the market for casual clothing in Ireland before 1992, could have been procured when Diesel made its application, and that Montex would be prejudiced in finding a witness to match Mr Shanahan, whose reliability would, in the view of the Court, be highly questionable.

78. Diesel offers no reason why this Court ought to take a different view, save to contend that the reliability of the evidence ought to be assessed at the hearing of the appeal. The Controller submits that this is to conflate the issue of reliability of Mr Shanahan's evidence and weight to be given to it with the preliminary issue, which is the one before this Court, namely whether it ought to be admitted at all. Such evidence ought not to be admitted where, as in the present case, it would give rise to prejudice to Montex who would, at this remove from the events in question, face considerable difficulties in finding a deponent to speak to Mr Shanahan's account of the market some 20 years ago. This is a preliminary and separate matter to the subsequent consideration of what weight ought to be given to such evidence in (different) circumstances were it to be admitted.
79. As regards the admission of those parts of Mr Iesurum's affidavits exhibiting the documents in respect of which the High Court granted special leave, in circumstances where the High Court expressly held that Mr Iesurum "*makes averments regarding the plaintiff's reputation in Ireland that are of a most general kind and which are clearly based on hearsay*" (§56), the Controller submits that there are no grounds for admitting any of Mr Iesurum's evidence.

CONCLUSION

80. The Controller invites the Court to:
- a. dismiss the appeal and uphold the judgment of the Court of Appeal;
 - b. uphold and not vary those parts of the High Court judgment unaffected by the judgment of the Court of Appeal;
 - c. make no order for costs as between Diesel and the Controller, in circumstances where the 1963 Act so provides.

MARGARET GRAY
11 July 2019

Word count: 9984

SUPREME COURT

Supreme Record No. 2019/33

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 11
JANUARY 1994 BY DIESEL SPA FOR REGISTRATION OF DEISEL AND DIESEL (DEVICE) AS
TRADE MARKS IN CLASS 25 OF THE REGISTER OF TRADE MARKS

BETWEEN:

DIESEL SPA

Plaintiff/Appellant

-and-

THE CONTROLLER OF PATENTS DESIGNS AND TRADE MARKS

First Defendant/Respondent

and

MONTEX HOLDINGS LIMITED

Second Defendant/Respondent

**OUTLINE WRITTEN SUBMISSIONS ON BEHALF OF THE SECOND
DEFENDANT/RESPONDENT**

Introduction

1. The second Defendant/ Respondent to this Appeal (“Montex”) opposes the Appeal brought by the Plaintiff/Appellant (“Diesel SpA”).
2. The main ground of Diesel SpA’s Appeal is that the Court of Appeal erred in determining that the principles set out in *Murphy v Minister for Defence* [1991] 2 IR 161 (the “*Murphy test*”) were the principles to be applied to Diesel SpA’s application to introduce new evidence on appeal from a decision of the Controller of Patents Designs and Trade Marks (the “Controller”). Diesel SpA also alleges that the Court of Appeal erred in the manner of its application of the *Murphy test*.
3. The relief that Diesel SpA seeks on this basis is the reinstatement of the High Court order which allowed Diesel SpA to introduce certain of the new material proffered by Diesel SpA into the proceedings. In doing so the High Court applied principles set out in *Hunt-Wesson Inc’s Trade Mark Application* [1996] RPC 233 - a decision of the High Court of England and Wales concerning admission of

new evidence on appeal from the Comptroller of Patents, Designs and Trade Marks there. Diesel's case is that the Court of Appeal should have applied the *Hunt Wesson* principles to the question.

4. Diesel also seeks by this Appeal to secure a further order allowing in to the proceedings that portion of the material that was disallowed by the High Court.
5. Montex has opposed Diesel SpA's case at both High Court and Court of Appeal levels on the basis that, irrespective of the test that is applied, whether the *Murphy test* or the *Hunt Wesson* test, or indeed any other test that seeks to constrain unregulated introduction of new evidence on appeal, Diesel SpA's application must fail.
6. Montex has taken this position in circumstances where:
 - (i) Diesel SpA could have adduced this evidence at any stage during two decades of opposition proceedings, involving the same parties, the same issues and to which the same description of evidence was relevant – namely the use of the Mark made by Diesel SpA and Montex respectively in Ireland prior to and up to the early 1990s (the relevant dates of application);
 - (ii) Diesel SpA's assertions that fairness requires that it be allowed to put in evidence as a result of being surprised by criticism in the Decision appealed from in respect of the paucity of the evidence put in by it, and/or to rebalance special treatment accorded to Montex during the opposition, are entirely without merit for a number of reasons including:
 - (a) the same criticism as to the paucity of Diesel SpA's evidence of use was levelled by the Controller in respect of the same evidence in his earlier 1998 Decision on the opposition brought by Diesel SpA to Montex's earlier application to register the Mark – 4 years before the evidence-filing stage of the opposition now appealed from in which Diesel SpA nevertheless simply refiled the old (already criticised) evidence;

(b) no accommodation was made to Montex with regard to evidence in the opposition now appealed from that was not equally available to Diesel SpA and one matter – namely the fact that oral evidence was adduced from a Montex witness – relied upon by Diesel SpA to show some unfairness in this regard, was in fact adduced in cross-examination at the behest of Diesel SpA, as a result of the Controller acceding to Diesel SpA's application to cross-examine the witness in question;

(iii) The evidence is not material to the issues in dispute in the main proceedings, having regard to the evidence already admitted and findings already made in the Supreme Court in an appeal from an earlier opposition concerning the same parties and, essentially the same issues;

(iv) The credibility of the affidavit evidence now put forward by Diesel is fundamentally at issue in circumstances where it is not only internally contradictory but where it contradicts evidence filed by Diesel SpA in the opposition appealed from and in the earlier opposition which has been the subject of findings on appeal in the High Court and the Supreme Court;

(v) The affidavit evidence is prejudicial in that it purports to address the factual situation on the market at a 25 year remove presenting Montex with an impossibility in trying to adduce evidence to directly challenge it;

(vi) There are no trade mark or other policy issues militating towards its admission.

7. In the following sections of these submissions, we first set out the factual and legal background to the main proceedings, the application by Diesel SpA to adduce new material and the main findings of the High Court and Court of Appeal in that regard. We beg the indulgence of the Court for the relatively detailed nature of this part of the submission and have split it into separate headings in order to assist the Court.

8. We then identify the issues in dispute in so far as Montex sees them, namely whether the Court of Appeal erred in determining that the *Murphy* test applied, whether it correctly applied the *Murphy* test and, if the *Murphy* test is not considered to be the correct test, the permissibility of the introduction of the material proffered by *Diesel SpA* under any suitable alternative test, including the *Hunt Wesson* test.

Circumstances giving rise to the application and the findings of fact of the High Court and the Court of Appeal

9. We set out a **chronology** of these proceedings in **Appendix 1** to these submissions so that the Court can have a ready reference to the key dates in the matter. We have taken the liberty of merging it with the chronology offered at paragraph 5 of *Diesel SpA*'s submissions, the elements of which are picked out in bold, so that the Court can see where we add to *Diesel SpA*'s chronology or disagree with it.

The oppositions

10. The trade mark opposition - the outcome of which is appealed to the High Court in these proceedings and in service of which appeal this application to adduce additional evidence is brought - commenced before the Controller 17 years ago, in February 2002.
11. It consists of Montex's opposition to an application by *Diesel SpA* (which was made on 11 January 1994) to register the mark DIESEL and a Diesel logo for clothing.
12. It is integrally linked to an earlier opposition brought on 19 September 1994 brought by *Diesel SpA* to an earlier application of Montex (made on 18 September 1992) to register the DIESEL mark for clothing (the "*first opposition*").
13. The issues as between the parties in both oppositions comprise the following questions: first, which party is the 'proprietor' of the DIESEL mark within the meaning of section 25(1) of the Trade Marks Act, 1963 (the "1963 Act") (i.e.,

which party had the right to apply for the mark by virtue of being the first user in respect of the relevant goods in the State¹); and, second, whether section 19 of the 1963 Act precludes registration by the applicant in question “*by reason of its being likely to deceive or cause confusion or otherwise*” in light of other actors on the market as of the relevant application date.

14. Montex’s proprietorship and the consequences of Montex’s use were in issue in the first opposition and the proceedings arising out of it. The focus shifts to Diesel in the opposition and appeal from it in these proceedings.
15. In terms of the section 19 issue, Diesel SPA asserts that it is not a question of whether use of the mark applied for by Diesel SpA would cause confusion as of the application date (11 January 1994) having regard to the state of the market, but that in order to block Diesel SpA’s application, Montex must to show that Diesel SpA passed off its goods as and for Montex’s goods at the relevant date. Leaving aside the fact that the relevant jurisprudence does not support this case², neither is it what Diesel itself argued for when it was blocking Montex’s application from going through in the first proceedings, where Diesel SpA argued that confusion on the market was enough and must be inferred where the triple identity of mark, goods and market applied as between two different traders³.
16. It was found in the High Court appeal from the first opposition⁴ (the “*first proceedings*”) that Montex was the first to use the mark in the State and therefore the person who qualified as ‘proprietor’ under section 25, but that the goods of both parties were on the market in the State at the date of the first application giving rise to a likelihood of confusion and therefore barring registration of the mark under section 19. The Court also found however that it could not be satisfied that Montex’s use of the the mark was bona fide in circumstances where Montex had not answered⁵ Diesel SpA’s bare assertion that it had copied the Mark from Diesel SpA – which had been incorporated in

¹ Jaguar Cars Ltd v Controller of Patents [2006] 1 IR 607 per Clarke J applying Al Bassam Trade Mark [1995] RPC 511 as approved by Sullivan J in Montex v Controller of Patents [2000] 1 IR 577

² Berlei (UK) Ltd v Bali Bra Inc. [1969] 1 WLR 1306, at page 1324, approved by Sullivan J in Montex Holdings Ltd v Controller of Patents [2000] 1 IR 577, at p 590 – 592, by the Supreme Court in Montex v Controller of Patents [2001] 3 IR 85 and by Clarke J in Jaguar Cars Ltd v Controller of Patents [2006] 1 IR 607 at 614

³ Diesel SpA’s position in this regard having been recorded in Sullivan J’s Judgment in Montex Holdings Ltd v Controller of Patents [2000] 1 IR 577, at page 585

⁴ Montex Holdings Ltd v Controller of Patents [2000] 1 IR 577

⁵ On the basis of advice that a bare assertion could not put an onus on it to respond

Italy the year before. On that basis the Court refused Montex's application in exercise of a discretion under section 25(2) of the 1963 Act.

17. Montex appealed the findings under section 19 and section 25(2). The Supreme Court found that the High Court should not have addressed the discretionary grounds under section 25(2) at all where a non-discretionary ground fell to be decided first, but upheld the High Court's finding on section 19.⁶
18. These same issues of entitlement to registration as first user in the State under section 25(1) and the confusion or otherwise that may be caused as of the date of application (11 January 1994) arising out of the co-existence of the products of both parties on the market under section 19 are before the High Court in the appeal from the opposition in these proceedings. This time around the issues relate to whether *Diesel Spa* could be considered proprietor and whether use by *Diesel SpA* of the Mark on 11 January 1994 would create confusion having regard to the market at that time.
19. Diesel SpA additionally argues that the High Court's use of the discretion to refuse the mark under section 25(1) in the first proceedings vitiates Montex's proprietorship of the mark under section 25(1) of the 1963 Act and the benefit of its use for the purposes of section 19, so as to clear the way for Diesel SpA's registration of the mark. Diesel SpA argues that this is the case even though Montex has provided evidence at opposition stage in the opposition now appealed from (in accordance with all due procedures) of the origination of the Mark by its predecessor in title (and on which the individual giving the evidence was cross-examined on behalf of Diesel SpA) as well as evidence as to the legal advice on which it relied not to engage with this issue previously.
20. Accordingly, the fact-related issues between the parties - to which the evidence now sought to be adduced is relevant - are the same issues that have been disputed between the parties since Diesel filed the first opposition on 19 September 1994.

⁶ *Montex v Controller of Patents* [2001] 3 IR 85

21. The evidence relevant to these issues is the same evidence, namely, use of the mark by each party in the State in the early 1990's that has been in issue between the parties for 25 years.
22. As can be seen from the chronology at Appendix 2, Diesel SpA had a four year window of opportunity to gather and adduce this evidence in the first opposition - between 1994 and 1998.
23. Of particular relevance to Diesel SpA's assertion that surprise at the criticism directed to its evidence in the Controller's Decision of 9 September 2013 now under appeal prompted the application to adduce fresh evidence, is the decision of 1 July 1998 of Mr Peter Skinner on behalf of the Controller in the *first opposition* as follows (paragraph 14) describing Diesel SpA's evidence (the same evidence as was used by it to defend the opposition now at issue):

"This hearing is notable for its lack of concrete evidence and exactitude.

The opposition [Diesel SpA] have produced relatively few invoices of actual sales of DIESEL branded goods in Ireland prior to the 18th of September 1992

...

The opposition have failed to conclusively show that the magazines mentioned in connection with spill-over advertising were available in Ireland prior to September 1992, they have also failed to show that MTV was receivable in Ireland prior to September 1992"

24. As will also appear to the Court from the chronology at Appendix 1, in the opposition *now* at issue and appealed from by Diesel SpA in these proceedings, there was a 6 year period, starting 4 years after Mr Skinner's criticism of the evidence (between filing of the notice of opposition on 21 February 2002 and the last affidavit submitted on behalf of Diesel on 15 February 2008) during which any evidence of use made of the mark by Diesel SpA prior to 11 January 1994 could have been submitted to the Controller (with the possibility of even further time having regard to the typical flexibility of the Patents Office in this regard and the fact that the Patents Office hearing was not conducted until 21 May 2012).

25. Despite having all of that time to consider the evidence to be put in in defence of its own application, Diesel chose to refile the (already criticised) body of evidence that it filed for the first opposition.
26. The assessment of Diesel SpA's evidence by Mr Dermot Doyle, the Hearing Officer who compiled the Decision of the Controller of 9 September 2013 now under appeal did not differ in any material way his criticism of the invoice evidence (paragraph 78 of the Decision) or of the evidence as to magazine advertising (paragraph 81) from that voiced 15 years earlier by Mr Skinner in relation to the same evidence.
27. Neither did the outcome. Like Mr Skinner in the first opposition and the High Court and Supreme Court in the first proceedings, Mr Doyle found that there were two different products on the market under the same mark in the State at the relevant time (paragraph 79) and that confusion within the meaning of section 19 was the inevitable result (paragraph 118). If Mr Doyle queried the level of reputation that could be regarded as arising to be inferred from aspects the evidence of use filed, there was not such a distinction between Mr Skinner's take on it 15 years earlier as is made out, and the question is anyway irrelevant and we come back to this point below.

Diesel's application to adduce new evidence

28. The new evidence sought now to be adduced by Diesel in the main proceedings is of precisely the same type as the evidence filed on its behalf during both the first opposition and the opposition now appealed from. It is directed to the same issues. All the evidence now sought to be adduced was available at any and all stages of the evidence phase in the first and second oppositions. And any criticism of the evidence adduced at opposition in the Decision of 2013 under appeal, echoed the criticism made 15 years before in the Decision of 1998.
29. Netted down, (and as found by both the High Court (paragraph 27) and the Court of Appeal (paragraph 14) the new evidence that is the subject of the leave application at issue consists of two additional invoices demonstrating sales of 42 items by Diesel in the relevant period, circulation figures for Ireland of a number of publications carrying a modest number of advertisements in the

1990s, copies of certificates of incorporation or registration of trade marks which are anyway matters of which judicial notice may be taken and affidavit evidence as to the alleged use of the mark in the State by Diesel and alleged non-use by Montex.

The High Court

30. The High Court admitted one of the three affidavits proffered by Diesel SpA and the exhibits from a second. The Order was extended to cover Montex's evidence in reply and the four additional affidavits filed by Diesel SpA to explain or adjust the evidence in light of Montex's interrogation of it. The materials admitted are set out in **Appendix 2**.
31. Mr Justice Binchy determined that leave should be given to introduce these materials on appeal by virtue of an application of the *Hunt-Wesson* test and not the *Murphy* test.
32. Binchy J made this determination despite his findings that: the evidence the subject of the application could have been introduced at any time in the twenty-five year history of the trade mark dispute between the parties⁷; there was no explanation for the failure to adduce the said evidence⁸ (Diesel SpA's justification of surprise was not expressed until it was before the Court of Appeal); there were no trade mark policy related reasons for admitting the material⁹; and that certain of it could not be adequately answered by Montex due to the passage of time.¹⁰

⁷ "...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" (paragraph 48) and "It is clear that all of the evidence could have been gathered and filed at the time the plaintiff made its application on 11 January 1994, save for invoices dated 14 January 1994, but there would have been several opportunities thereafter to file these invoices (paragraph 52(i))"

⁸ "No explanation has been advanced to the Court as to why this was not done and there can be not 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 the deficiencies in the evidence submitted on behalf of the applicant (paragraph 48) and "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 (paragraph 52(ii))"

⁹ paragraph 52(iii) and 52(viii)

¹⁰ The evidence of Mr Cutting and Mr Shanahan "has the capacity to be prejudicial in a way which cannot be compensated ...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..." (paragraph 52(vi))

33. As regards the materiality of the new evidence to the issues in dispute, the High Court characterised it as low impact material; “*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*” (paragraph 52(v)). The High Court went on to indicate that the additional invoices and advertisements might have a contribution to make to the issues and that the affidavits of Mr Cutting and Mr Shanahan might 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*” (paragraph 52(v)) which it could be observed had already been held to be the case by the High Court and the Supreme Court and was not disputed by any party. The Court then went on to say however (at paragraph 52(vi)) that “*their evidence in this regard may have very limited value to the plaintiff’s case given that this Court has already found that Montex has established a sufficient user prior to the date of its application to entitle it, prima facie to be registered as owner of the mark*”
34. Montex appealed the High Court decision, not on the basis that the Court had applied an incorrect test, but rather on the basis that the test had not been correctly applied by the High Court in circumstances where most, if not all, of the High Court Judge's own findings under the *Hunt Wesson* criteria indicated, in Montex’s respectful view, the refusal of the application.

Court of Appeal

35. The Court’s Judgment was delivered by Mr Justice Hogan. The Court decided that it was bound by the *Murphy* case itself to apply that test and that if a different test was to be applied, it would be up to the Supreme Court to determine that.
36. In applying the *Murphy* test, the Court of Appeal referred (paragraph 37) to two key findings of the High Court: first the fact that the evidence the subject of the application could have been adduced before the Controller; and, second that no explanation had been given for the delay.
37. In terms of the justification as to surprise that Diesel SpA offered the Court of Appeal (but had not offered the High Court) the Court of Appeal held (paragraph

39) “There could be no question of any surprise because this entire question – i.e., pre-1994 user – was critical to both the Montex Holdings proceedings before the Supreme Court and it was central again to the hearing before the Controller. It must also be recalled that the hearing before the Controller took place in 2012, some eighteen years after the application for registration was first lodged, so that Diesel had ample time to engage in any thorough review of the files”

38. The Court found that the first limb of the Murphy test had not been met and the appeal must fail.

The issues

39. Diesel SpA pleads that the Court of Appeal erred in deciding that the applicable test for the admission of fresh evidence on appeal from the Controller is the *Murphy* test.
40. Diesel SpA also pleads that the Court of Appeal also erred in its application of the *Murphy* test in so far as it goes.
41. Diesel SpA pleads that the proper test to apply is the *Hunt Wesson* test and that on that basis the High Court Order should be reinstated by this Honourable Court.
42. As outlined in the introduction, Montex’s position, through the High Court and the Court of Appeal, has been that regardless of the test applied, whether the *Murphy* test or the *Hunt Wesson* test, or indeed any test designed to avoid rolling appeals, Diesel SpA’s application must fail.
43. Accordingly while Montex does not believe that Diesel SpA has presented a compelling case in respect of its challenge to the test applied by the Court of Appeal and while we address those grounds, Montex’s position in this appeal does not depend upon the Court upholding the *Murphy* test as the test applicable in all cases or in the circumstances of this case.
44. Rather, and having regard to the fact that the Court of Appeal did not engage with the second and third limbs of the Murphy test (on the basis of the cumulative nature of the test) or any other test, Montex’s submission concentrates on why the Court should not reinstate the High Court Order,

because to do so would, in Montex's submission, give Diesel SpA a pass from the application of relevant controls on introducing new evidence on appeal.

45. On that basis, the issues arising for Montex in resisting this appeal are the questions of:
- (i) the test to be applied in applications for leave to adduce further evidence on appeal from the Controller;
 - (ii) in so far as the Murphy test is the proper, or an appropriate test, to have been applied in this case, whether it has properly been applied by the Court of Appeal;
 - (iii) the permissibility under any appropriate test that may be applied, such the Murphy test (non-cumulatively applied) or the Hunt Wesson test, of the material proposed to be adduced in this case.

Submissions

The test

46. If we may take the liberty of paraphrasing the *Murphy* test, as qualified by the dicta of O'Donnell J in *Emerald Meats Ltd v Minister for Agriculture and others* [2012] IESC 48, it requires that in order to allow new evidence to be introduced on appeal: there must have been a good reason for not adducing the evidence at first instance – either that it was not reasonably available, or that its relevance could not have been foreseen due to an unexpected turn at trial; the evidence must be material to the issues in the case; and, that it must be credible. In the *Student Transport* case, the Court of Appeal decided that it was a strictly cumulative test such that an application must fail if it fails to satisfy any of the three criteria.
47. The alternative test, applied by the High Court, and rejected by the Court of Appeal, is of course the *Hunt Wesson* test. This is a test which was specifically tailored by the High Court of England and Wales as an adjustment to the test in *Ladd v Marshall* [1954] 1WLR 1489 - the equivalent of the *Murphy* test in the law of England and Wales – primarily to take account of the consequences of

decisions of the Comptroller General of Patents, Designs and Trade Marks in certain circumstances determining the existence or otherwise of registered property rights.

48. The *Hunt Wesson* test was thought to have been superseded in England and Wales by virtue of a change in the Civil Procedure Rules there regarding statutory appeals, but has since resurfaced as embodying relevant considerations in certain trade mark appeals.¹¹ The *Hunt Wesson* factors are as follows:

- (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 has 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.*

¹¹ Mr Justice Henry Carr recites the evolution of judicial thinking in this regard in his judgment in *Consolidated Developments Ltd v Cooper* [2018] EWHC 1727 with the main staging posts as follows:

- a. Acceptance of the core principles set out in *Ladd v Marshall* [1954], which closely track the *Murphy* principles, in the interests of finality of litigation and the need for parties to litigation put their best case at first instance;
- b. The formulation by Laddie J in *Hunt Wesson Inc's Trade Mark Application* [1996] RPC 234 of rule which include *Ladd v Marshall* type criteria but which also seek to take account of the particular features of disputes concerning registered property rights;
- c. Pumfrey J's dicta in *Wunderkind Trade Mark* [2002] that *Hunt Wesson* had been overtaken by the adoption of new Civil Procedure Rules regarding statutory appeals and no longer applied;
- d. The Court of Appeal's consideration of the two approaches in *El Dupont de Nemours v ST Dupont* [2013] EWCA where the Court essentially confirmed the primacy of *Ladd v Marshall* considerations but allowed that "*the nature of such appeals may give rise to particular application of those principles appropriate to the subject matter*";
- e. *Consolidated Developments Ltd v Cooper* [2018] EWHC 1727 in which Carr J fashioned the Court of Appeal's view into a formulation recognising the applicability and special weight to be given to the *Ladd v Marshall* factors but not excluding the usefulness of the *Hunt Wesson* factors in certain circumstances, cautioning that neither test should be regarded as straightjacket for the Court's assessment but that the underlying principle must be that the admission of fresh evidence on appeal is the exception and not the rule.

- (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.*
- (viii) *The public interest in not admitting on the register invalid trade marks.*

49. Montex's position in these proceedings has been to argue its case on both the *Murphy* criteria and the *Hunt Wesson* criteria, pointing out that, if applicable, the *Hunt Wesson* criteria essentially encompass the *Murphy* criteria – albeit require a less strict application than required of the cumulative test envisaged in *Student Transport Scheme* but one that accords particular weight to the *Murphy* criteria contained within *Hunt Wesson*.
50. The remaining factors in terms of the nature of the mark at issue, the nature of the objections to it, the consideration of the possibility of multiplicity of proceedings (arising out of the possibility of failing in an opposition before the Controller and subsequently applying for revocation), and the public interest in not admitting invalid marks to the Register, are all factors which may relate to certain appeals from the Controller, but not all. They are factors which primarily apply where the evidence sought to be introduced on appeal is focused on demonstrating that a mark is invalid and should not be registered; the *Hunt Wesson* case itself was such a case, in which an application by an American company for the mark SWISS MISS in respect of chocolate-related products, was opposed by members of the Swiss chocolate industry on the basis that it was deceptive.
51. No such trade mark policy issues arise in this case in which Diesel SpA applies to adduce further evidence to save its application.
52. On that basis, an application of the *Hunt Wesson* factors in this case would essentially amount to a slightly more relaxed application of the *Murphy* factors.
53. In so far as it may contextualise the Court's consideration of the test to be applied to the introduction of new evidence in this case, the position as it is currently formulated for the High Court of England and Wales by Carr J in

Consolidated Developments Ltd v Cooper [2018] EWHC 1727 and confirmed by the same Judge recently in *Trump International Ltd v DTTM Operations LLC* [2019] EWHC 769 [67] is as follows:

“67. Having considered the case law subsequent to Ladd v Marshall, the relevant principles in respect of the admissibility of fresh evidence in trade mark appeals, sought to be introduced for the first time on appeal, are summarised at [33] of the CDL case as follows:

“i) the same principles apply in trade mark appeals as in any other appeal under CPR Part 52. However, given the nature of such appeals, additional factors may be relevant;

ii) the Ladd v Marshall factors are basic to the exercise of the discretion, which are to be applied in the light of the overriding objective;

iii) it is useful to have regard to the Hunt-Wesson factors;

iv) relevant factors will vary, depending on the circumstances of each case. Neither the Ladd v Marshall factors nor the Hunt- Wesson factors are to be regarded as a straightjacket;

v) the admission of fresh evidence on appeal is the exception and not the rule;

vi) the Gucci decision does not establish that the Court or the Appointed Person should exercise a broad remedial discretion to admit fresh evidence on appeal so as to enable the appellant to re-open proceedings in the Registry; and

vii) where the admission of fresh evidence on appeal would require that the case be remitted for a rehearing at first instance, the interests of the parties and of the public in fostering finality in litigation are particularly significant and may tip the balance against the admission of such evidence.”

Whether the Court of Appeal erred in the test to be applied to the application

54. As to Diesel's grounds for impugning the application of the *Murphy* test in the Court of Appeal in this case, the main ground appears to be the assertion that the Court of Appeal wrongly took no account of *Philadelphia Storage Battery Co. v Controller* [1935] IR 575 in doing so.
55. The first observation that arises is that the *Philadelphia* case was decided on the basis of the regime established for appeals from the Controller under the Industrial and Commercial Property (Protection) Act, 1927 and not under the Act in issue in these proceedings, namely the 1963 Act.
56. The second point is that the *Philadelphia* case dealt with the standard of review in an appeal from the Controller to the High Court under that legislation, and not the test for adducing fresh evidence on appeal, which was the subject of the Court of Appeal Judgment.
57. Diesel SpA's submissions on this point lay great stress on the fact that in passages at paragraphs 20 and 21 of his Judgment, Hogan J referred to the nature and extent of the scope of appeal from the Controller to the High Court and touched on the range of possibilities in this regard from an appeal de novo at one end of the spectrum and review on a point of law on the other.
58. Respectfully, it is submitted that the Court of Appeal did not, nor did it intend to, engage in the kind of detailed consideration of the specialist or other nature of the statutory function giving rise to the decision appealed from, or the relevant legislative scheme, such as would be required to make findings on the standard of review on appeal from the Controller.¹² Rather the Court was concerned only with question on the restriction on fresh evidence being adduced on appeal provided for in the relevant legislation.
59. It is submitted that this is the facet of appeal that was compared to appeal from the High Court to the Supreme Court and none other.

¹² The involved process engaged in and/or discussed in the context of a variety of statutory bodies in such cases as: *Dunne v Minister for Fisheries* [1984] IR 230, *Glancre Teo v Cafferky* [2004] 3 IR 401, *M&J Gleeson v Competition Authority* [1999] 1 ILRM 401, *Orange v Director of Telecommunications* (No 2) [2000] 4 IR 159, *Carrickdale v Controller of Patents* [2004] 3 IR 410, *Fitzgibbon v Law Society of Ireland* [2015] 1 IR 516 and *Nowak v Data Protection Commissioner* [2016] IESC 18

60. It is anyway respectfully submitted that the question of the permissibility of fresh evidence on appeal, is not inherently or inescapably linked to the question of the scope of the review that may be conducted on appeal.
61. In that regard, it is not self-evident that if the appeal is an appeal on the record, as distinct say from an appeal on the basis of fundamental error or series of errors, the policy of ensuring that litigants put their best case at first instance would be any less compelling. In particular, if the decision maker is constituted as a specialist decision maker and if the procedures at first instance are liberal (such as those under the 1963 Trade Mark Rules), so that no party could properly say that it did not have a fulsome opportunity of adducing whatever evidence it felt minded to adduce, it is submitted that the policy of finality of litigation and avoiding a rolling and evolving case on appeal is perhaps even stronger.
62. In circumstances where there are no trade mark specific considerations to be taken into account in this case so that the factors remaining to be applied are essentially the *Murphy* factors, it is the *Murphy* criteria which, as a matter of fact, fall to be applied in this case even if the starting point was *Hunt Wesson*.

Whether the Court of Appeal correctly applied the Murphy test

63. The Court of Appeal did not err in its application of the *Murphy* test in finding that the evidence was available at first instance (in either opposition and over a number of decades). Respectfully, and as the Court will see when the new evidence is described in detail below, this is incontrovertible. The Court of Appeal had regard to the *Emerald Meats* gloss on the *Murphy* test and, respectfully, correctly identified (paragraph 39), that there could have been no unpredictability as to Diesel SpA's need to adduce evidence of use where evidence of use was the sole focus of the evidence in both proceedings for two decades.

Diesel SpA's application could not satisfy any reasonable test

64. In the event that this Court determines that the elements of the *Murphy* test are not to be regarded as necessarily strictly cumulative and/or, other considerations can be taken into account, such as the *Hunt Wesson* factors,

where applicable, it is submitted that the decision of the Court of Appeal should anyway be affirmed.

65. In order to set out Montex's case on these points, we describe the evidence that is sought to be adduced in respect of these issues and then examine it under the *Murphy* and *Hunt Wesson* criteria combined.

The new material sought to be introduced on appeal and issues arising as to its materiality and credibility

66. As outlined, Diesel SpA initially applied for leave to introduce as evidence the contents of and exhibits to three affidavits as follows:

- (i) an affidavit of Stephano Iesurum – unsworn as of the date of the application, and exhibits;
- (ii) an affidavit of Simon Cutting sworn on 24 February 2014 with exhibits; and,
- (iii) an affidavit of Edmund Shanahan sworn on 21 February 2014.

67. The reply made by Montex elicited a further four affidavits from Diesel SpA, - in the case of Mr Iesurum contradicting and adjusting the evidence that was purported to be given in the initial affidavit and in the case of Mr Cutting, and additional affidavits from Mr Rosso and Mr Lawley, contradicting evidence that had been given on behalf of Diesel SpA in the first set of proceedings and before the Controller and the High Court for this set of proceedings.

68. Diesel SpA not only wishes to reinstate the High Court Order in so far as it went – allowing one affidavit and the exhibits of another (and the relevant consequential materials) – it wishes to now obtain leave for the entire complement of its proffered material

69. The salient points for the purposes of the Court's assessment of the permissibility of this material are set out in the following paragraphs.

The affidavits of Stefano Iesurum

70. While Mr Iesurum represented by his first affidavit that he was exhibiting (at exhibits 7, 8 and 9) numerous additional invoices of sales by Diesel SpA of clothing in Ireland, Mr Heery's responding evidence showed that the net number of invoices actually exhibited over and above the three invoices exhibited in the first opposition and relied upon again in the opposition at issue, was two. The remaining items were not invoices (and proof of sales) as asserted, but documents showing contract manufacture in the State.
71. In his first affidavit Mr Iesurum gave circulation figures for certain magazines in which Diesel SpA placed a small number of exhibited advertisements in the early 1990s. These figures were abandoned in his second affidavit - in response to issues raised by Mr Heery - and replaced by figures which showed that Diesel SpA was not standing behind any of the circulation figures given in the first affidavit and that, in the main, those initial figures had been overstated by tens of thousands. Furthermore, an estimated breakdown for the circulation of relevant magazines in Ireland (as distinct from Ireland and the UK) was given for only one year - 1993 - and showed a very modest circulation in Ireland in each case.
72. In his first affidavit Mr Iesurum felt free to speculate that Montex not only copied the DIESEL mark from Diesel SpA, but that Montex took its own name from the former name of Diesel SpA, which was "Moltex". The certification of incorporation of Moltex was exhibited with a view to demonstrating Montex's alleged tendency to copy.
73. Mr Heery explained in his first affidavit that the name "Montex" comes from a combination of "Mon" from Monaghan and "tex" from textiles to explain that "Montex" is simply an abbreviation of the name of its original parent company, Monaghan Textiles Limited. Mr Heery posited that Moltex - located in Molvena in Italy - might have had a similar origin in which the "Mol" is taken from the place name and the suffix "tex" added, as it commonly is by textile companies.
74. Mr Iesurum also indicated at paragraph 16 of his first affidavit that he could confirm "*from his own knowledge*" that "*Diesel ...was well known by young people in Ireland up to and including the relevant date (11 January 1994)*". Given that Mr Iesurum himself indicated in the same affidavit that he only joined

Diesel SpA (in Italy) in 1997, as legal counsel, having left university the year before, the basis upon which he asserted personal knowledge of the reputation on the Irish market of his future employer as of 11 January 1994 was not explained.

75. In that regard, in his second affidavit Mr Lesurum stated that *“The popularity of the Plaintiff Company’s product in Ireland in the early 1990s has been verified to me by colleagues who were working in the Plaintiff Company at the relevant date. The Colleagues to which I refer are Mr Renzo Rosso, President of Diesel SpA and Ms Marina Tosin, former CEO of Diesel SpA.”* It is clear from Mr Rosso’s own affidavit delivered as part of the second round of affidavits by Diesel SpA (see paragraph that Mr Rosso did not even have personal recall of the distributor for Diesel SpA products in Ireland at the time. No evidence from Ms Tosin was presented.

Affidavits of Simon Cutting and consequential affidavits of Renzo Rosso and Peter Lawley

76. Mr Cutting gave evidence that he could “categorically state” that DIESEL-branded clothes were not being sold by Montex in Ireland between 1983 to 1989 despite the fact that undeniable evidence that they were (and quite substantially throughout Ireland) had been adduced in the first and second oppositions and accepted by all decision makers including the High Court and the Supreme Court in the first set of proceedings and indeed despite that fact that it had never been denied by Diesel SpA.
77. Of additional concern in respect of the credibility of the averments of Mr Cutting however was the assertion that: he was the first UK and Ireland distributor for the DIESEL-branded products of Diesel SpA, among other Italian brands; he carried out his role between 1983 and 1989; and, turnover by 1989 through his business was in the region of £800,000 per annum for the UK and £100,000 for Ireland, in circumstances where no substantiation for these matters was given and where this new otherwise unsupported evidence conflicted with evidence already given on behalf of Diesel SpA in the opposition.
78. The earlier conflicting evidence in question was given by Mr Lawley (commercial manager of Diesel London and before that distributor of Diesel SpA goods in the UK and, on Mr Cutting’s evidence, would have been successor to Mr Cutting as

distributor) in the first opposition. Mr Lawley had already indicated that he and his company James Woods Associates Limited took over the UK distributorship in 1988 and not 1989 and he named a different company, namely Walker Webster Limited and not Mr Cutting or either of his companies as his predecessor in that regard. Further, Mr Cutting's averment of recalling a turnover in the UK of £800,000 by 1988, is inconsistent with Mr Lawley's recall of approximately £262,000 at that time.

79. None of Mr Rosso, principal of Diesel SpA or the retailers (Richard Farrell of FX Kelly or Tony Forte of The Gap in Dublin) who gave evidence in the first opposition of having bought Diesel SpA goods, and on Mr Cutting's evidence would have been buying it from him or his companies, made any mention whatsoever of Mr Cutting or his companies.
80. The issues in this regard pointed out by Mr Heery in his affidavit elicited a second affidavit of Mr Cutting in which he exhibited at 2SC1 a document that Mr Cutting indicated was signed by him and Mr Rosso in 1987 and which, in its own terms appears to give a company called Acorncup a distributorship (apparently Acorncup later changing its name to the Petroleum Clothing Company Ltd) and which document is explicit that it is an agreement for the UK only which is defined as the "Area" and which provides: *"In no case whatsoever is the re-exportation or the exportation of the products from the area allowed, not even through a third party"*. Mr Cutting then asserted that there was an agreement between his company LevelFive and Diesel SpA from 1983 to 1987 and that *"While I do not have a copy of the original agreement for the period 1983 to 1987, it was in the same form as the agreement exhibited.."*
81. At the hearing of the application before the High Court, the Court's attention was drawn to the fact that page 1 of this purported distribution agreement does not appear to belong to the same document as the subsequent pages presented as part of it and that the signature described as that of Mr Rosso is very different from the signatures on Mr Rosso's statutory declarations and appeared to be the signature of a different person. No explanation was offered in this regard.
82. Further affidavits of Mr Lawley and Mr Rosso were filed which blandly state that Mr Cutting's evidence is now accepted by them but without expressing any

actual memory of him or his companies or any explanation as to how they had had no recall of him when they gave their earlier evidence.

Affidavit of Edmund Shanahan

83. Much of Mr Shanahan's affidavit was taken up with an apparent disapproval of the DIESEL-branded product of Montex as distinct from a denial that it was on the market during the 1980's and 1990's – in respect of which Mr Shanahan's comments appear internally inconsistent.
84. The only concrete piece of material adduced by Mr Shanahan in his affidavit consisted of his exhibit of a single advertisement from Image magazine of 1990 featuring six photographs of a model in which the model is wearing a belt in one photograph that is identified in the small print accompanying that photograph as a belt produced by Diesel SpA available at FX Kelly.

The application of the Murphy and Hunt Wesson criteria to this material

85. Taking each of the factors in turn:

Whether the new material could have been filed earlier and if so how much earlier – (limb 1 of *Murphy* and factor 1 of *Hunt Wesson*)

86. There is nothing comprised in the new material that could not have been adduced during the first opposition (in the evidence filing phase from 1994 to 1998) or during the opposition appealed from (in the evidence filing phase from 2002 to 2008). Both the High Court (paragraph 48 and 52(i)) and the Court of Appeal (paragraph 37) made this finding and Diesel SpA does not dispute it.

If the evidence could have been filed earlier what explanation for the late filing had been offered to explain the delay - (limb 1 of *Murphy* and factor 2 of *Hunt Wesson*)

87. No explanation was advanced to the High Court (paragraph 48).
88. The explanation offered at Appeal Court stage was that the new evidence was prompted by surprise at the criticism levelled at the Diesel SpA's evidence in the

opposition now at issue. The Court of Appeal, respectfully correctly, found that any such surprise could not be surprise that material relating to pre-1994 use was relevant to the matter since that has been the central point at issue between the parties since the inception of the dispute 27 years ago.

89. Furthermore, it is submitted that even if criticism of evidence put in on behalf of a party on the basis that it was unimpressive, as distinct from aimed at the wrong issue, could be a ground for permission to adduce additional evidence¹³ the specific criticism by Mr Doyle in the Decision appealed from, could not have come as a surprise in circumstances where much the same criticism was made, of precisely the same evidence, on behalf of the Controller in the first opposition in Mr Skinner's decision of 1 July 1998, - 20 years ago.
90. Furthermore the assertion at paragraph 24 of Diesel SpA's submissions that the new evidence was prompted by a doubt cast in the Controller's Decision as to the reputation that could be taken to be established by Diesel SpA at the relevant time from aspects of its filed evidence that was 'completely at odds' with what was found by the Controller in the first opposition and the Courts in the first proceedings is overstated, irrelevant and anyway a matter for the substantive appeal if Diesel SpA disagrees with the Controller's view, not the introduction of new evidence.
91. First the finding of Mr Skinner on behalf of the Controller in the first opposition only went so far as to say "*the probability is that goods manufactured by Diesel SpA were sold into Ireland prior to September 1992 and the probability is that the opponent's [ie Diesel SpA] goods were sold in Ireland prior to September 1992 under the name (DIESEL) and that these sales were of sufficient quantity to acquire a reputation*".
92. The High Court and the Supreme Court did not engage in questions of reputation and concluded their consideration of section 19 on the basis of the likelihood of confusion arising out of two parties using the same mark on the same goods in the same market at the same time, as outlined above.
93. Furthermore, if issues of reputation fall to be considered under section 19, in these proceedings it will in fact be the reputation of Montex that will be in issue

¹³ Rather than being regarded as an attempt to mend one's hand on appeal considered by Laffoy J in *Unilever v Controller of Patents* [2005] IEHC 426 to be precisely the activity to be discouraged by controls on introducing evidence on appeal

in the opposition now at issue, and not the reputation of Diesel, such that any change in approach to the Controller's view of the reputation of Diesel is entirely irrelevant to the opposition now at issue.

94. Finally and most important of all, the findings of the Controller in the Decision appealed from are part of matter to be appealed if Diesel SpA thinks they are incorrect, they do not provide an excuse for the filing of more evidence.
95. At paragraph 20 of the submissions on behalf of Diesel Spa, it is implied that latitude was somehow unfairly allowed to Montex by the Controller in the putting in of evidence for the purposes of the opposition at issue. In fact, the evidence put in on behalf of Montex, including that explaining the circumstances in which Montex's predecessor in title originated the DIESEL mark was put in in the normal way under rule 39 of the Trade Mark Rules, 1963 in response to the evidence (which Diesel SpA chose to refile from the first opposition) and in which the assertions of Montex having copied the mark from Diesel SpA were expressed.
96. The evidence from Montex's legal adviser as to why his firm had advised Montex that it did not have to answer the bad faith allegation was put in pursuant to an application under rule 40 of the Trade Mark Rules 1963 to do so.
97. If Diesel SpA had wanted to put in additional evidence at that point, it could have sought permission, as Montex had, to do so.
98. The reference to the Controller hearing oral evidence from Mr Patrick McKenna in relation to the origination of the name by Montex's predecessor as if that demonstrated some special accommodation for Montex is curious, in that that oral evidence was given in cross-examination pursuant to Diesel SpA's application to cross-examine, which was acceded to by the Controller.
99. Diesel SpA was subject to no unfairness in any of these matters.

The nature of the mark and the nature of the objections to it (factors 3 and 4 of *Hunt Wesson*) The desirability of avoiding a multiplicity of proceedings and the public interest, if any, in not admitting on the register invalid trade marks (factors 7 and 8 of *Hunt Wesson*)

100. As the High Court found (paragraphs 52(iii), (vii) and (viii)) nothing turns on these matters. It is not a mark that is descriptive or deceptive so as to provide justification for the admission of new evidence that would demonstrate these matters and keep an invalid mark off the register. Furthermore the new material is sought to be put in by the applicant for the mark, and not an opponent.

The potential significance of the new evidence limbs 2 and 3 of *Murphy* and 5 of *Hunt Wesson*)

101. In circumstances where the Supreme Court in the first proceedings has, at pages 89 to 93, made findings as to the use made by each party in the State in the early 1990s on the basis of the evidence filed by the parties and concluded on that basis that there was co-existence on the market at the relevant date and that confusion would inevitably be caused to consumers as a result. It is difficult to see what Diesel SpA hopes will be added to that by adducing the sum total of two additional invoices demonstrating sales of 42 items, modest circulation figures for a number of publications carrying a modest number of relevant advertisements and affidavit evidence (with the credibility and consistency issues outlined above).
102. It appears that Diesel SpA hopes to have the evidence of Mr Cutting (and perhaps Mr Ilesurum and Mr Shanahan) admitted in the hope of turning the section 19 issue into an issue in passing off and trying to assert that it was Diesel SpA which had the reputation and not Montex – despite the fact that Montex was first user and has filed materially more evidence of use than Diesel SpA. Leaving aside the credibility issues arising from this evidence for a moment which, it is submitted by themselves render it useless to Diesel SpA, Diesel's case in this regard is not only contrary to applicable authority on section 19, but contrary to the argument it made for the purposes of excluding Montex from registration in the first proceedings.
103. In so far as honest concurrent use is concerned, the issue will be whether it can apply to secure registration in any situation other than where the application is blocked by a registered prior right and/or whether or not it can apply to overcome a section 19 objection. The evidence now sought to be adduced will be of no relevance to those issues.

104. In so far as Diesel SpA's case on a lack of good faith vitiating the benefit of Montex's first and ongoing use up to the application date, again it is more a matter of legal argument. The only part of the evidence now sought to be admitted that is relevant to that point are the certificates of registration of the Diesel SpA companies – of which judicial notice can anyway be taken.

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 (factor 6 of *Hunt Wesson*)

105. As recognised by the High Court, it is impossible to obtain evidence to directly challenge the matters averred to by Mr Cutting some decades after the events on which he purports to give evidence (paragraph 52(vi)). Exactly the same problem arises in relation to the circulation figures for the magazines that are relied on in circumstances where some of those magazines have gone out of print.

106. A need for cross examination in the proceedings therefore seems inevitable. An appeal on affidavit would thereby become an oral hearing with the concomitant addition of Court time and cost. In light of the lack of materiality of the evidence in question, the delay in adducing it and lack of justification for so doing, it is submitted that there would be no justification for this outcome.

Costs

107. In respect of Diesel SpA's costs application, it is submitted that there was no error in the exercise by the High Court of its discretion under Order 99 RSC to grant Montex an award of two thirds of its costs to Montex and one third of its costs to Diesel SpA – to be set off against the Montex award having regard to the outcome and in circumstances where:

- a. Montex was put in the position where it had to respond to the application to adduce new evidence made by Diesel SpA in circumstances where the material the subject of the application could have been adduced at any earlier stage in the proceedings and where Diesel SpA advanced no reason for not adducing it earlier;

- b. Where Montex's engagement was productive in showing up the inaccuracies and inconsistencies of the new material offered with Diesel SpA's own existing evidence;
- c. Where those inaccuracies were the subject of five further affidavits submitted by Diesel SpA in an effort to mend its hand;
- d. Where the ultimate result of the application was one, akin to the result in *Veolia Water UK plc v Fingal County Council (no 2)* [2007] 2 IR 81, where the result could be regarded as Montex succeeding in keeping two affidavits (those of Mr Shanahan and Mr Ilesurum) out and Diesel SpA could have been regarded as successful in getting one affidavit (that of Mr Cutting) and the exhibits of another in, and that this is a mixed result which could also be reflected in the costs order.

108. In so far as Montex prevailed in its objective of having the High Court Order overturned in the Court of Appeal, Montex submits that the award of both Court of Appeal and High Court costs in its favour was correct.

109. As the Court may expect, Montex submits that if it succeeds in its opposition to this Appeal in terms of not having the High Court Order reinstated, that it should also have the costs of this Appeal.

Yvonne McNamara BL

[Word count: 9987]