

No. 2

O. 58, r. 18(1)



SUPREME COURT

Record No: 33/2019

Respondent's Notice

Part I

The information contained in this part will be published. It is the respondent's responsibility to also provide electronically to the Office a redacted version of this part if it contains information the publication of which is prohibited by any enactment or rule of law or order of the Court

1. Title of the Proceedings: [As in the Court of first instance]

**THE HIGH COURT
Record no. 2013/641 Sp**

**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

-and-

THE CONTROLLER OF PATENTS, DESIGNS AND TRADE MARKS

First Defendant

-and-

MONTEX HOLDINGS LIMITED

Second Defendant

2. **Name of Respondent:** Montex Holdings Limited ("Montex")

3. **Application to extend time:** Yes No

If an application is being made to extend time for the filing of this Notice, please set out concisely the grounds upon which it is contended time should be extended.

4. **Do you oppose the applicant's application to extend time:** Not applicable

Yes No

If an application by the applicant to extend time is being opposed please set out concisely the grounds on which it is being opposed.

5. **Do you oppose the applicant's application for leave to appeal:**

Yes No

6. **Matter of general public importance:**

Please set out precisely and concisely, in numbered paragraphs, the grounds upon which it is contended, that the matter does not involve a matter of general public importance. If the

application is not opposed please set out precisely and concisely the grounds upon which it is contended that the matter involves a matter of general public importance.

This section should contain no more than 500 words and the word count should appear at the end of the text.

1. Diesel asserts that the Court of Appeal erred in deciding that the test set out in *Murphy v Minister for Defence* [1991] 2 IR 161 should be applied to applications for the grant of leave to adduce fresh evidence on appeal from the Controller and that this is a point of general public importance.
2. While Montex accepts that a level of importance attaches to the question of the test to be applied to such applications, the case at hand is not an appropriate case in which to consider this question further, even if it were to be considered as satisfying, in principle, the test of general public importance within the meaning of Article 43.5.3^o of the Constitution.
3. In the particular circumstances of this case, the precise test applied is unlikely to have any practical relevance to the ultimate outcome of Diesel's application to adduce fresh evidence.
4. As more particularly described in the appendix hereto, Diesel's application is made in the context of an issue that has been identified and disputed between the parties for upwards of 20 years, where the evidence relevant to that unchanging issue now sought to be introduced on appeal was available throughout that time, where the said evidence is unlikely to be material to the outcome, where portions of it cannot now be answered by Montex due to the lapse of time and where substantial portions of it are inconsistent with Diesel's own earlier evidence.
5. Any test that this Court sees fit to apply on appeal that recognises, in the statutory requirement to seek leave, any constraint relating to the orderly conduct and/or finality of litigation, is likely to result in the refusal of the leave requested.
6. No issue arises as to the binding nature of *Philadelphia Storage Battery Co. v Controller* [1935] IR 575 on the Court of Appeal in circumstances where the *Philadelphia* case dealt with the nature of appeals from the Controller under the Industrial and Commercial Property (Protection) Act, 1927, not under the Trade Marks Act, 1963, which is the legislation in issue in these proceedings.
7. In so far as Diesel anyway contends that the *nature of the review* on appeal from the Controller, as distinct from scope to adduce fresh evidence, arises as a question on further appeal, that matter does not in fact appear to have been determined by the Court of Appeal ([20] and [21]). The kinds of considerations applicable to the scope of review (namely those discussed by Clarke and McKechnie JJ in *Fitzgibbon v Law Society of Ireland* [2015] 1 IR 516) do not feature. Rather, the Court of Appeal exclusively focussed on the policy objectives associated with constraints on adducing fresh evidence on appeal, namely the finality of litigation and the desirability of advancing the full case at first instance (quoting from *Emerald Meats Ltd v Minister for Agriculture* [2012] IESC 48 and *Unilever v Controller of Patents and Sunrider Corporation* [2005] IEHC 426). ([22] – [27], [31] – [33])

[Word count: 500]

7. Interests of Justice:

Please set out precisely and concisely, in numbered paragraphs, the grounds upon which it is alleged, that the interests of justice do not require an appeal. If the application is not opposed please set out precisely and concisely the grounds upon which it is contended, that the interests of justice require an appeal.

This section should contain no more than 300 words and the word count should appear at the end of the text.

1. Diesel's contention as to the need to adduce new evidence on appeal to address (a) procedural unfairness; (b) a surprising turn of events at opposition before the Controller, is without merit.
2. In the proceedings before the Controller, Diesel asserted that bad faith vitiated Montex's use of the mark in Ireland so as to leave the way clear for Diesel's registration of the mark. Diesel's argument was based on a finding made by the High Court in earlier proceedings arising out of an earlier opposition (which particular finding was essentially quashed in the Supreme Court) in connection with Montex's omission in those proceedings to answer Diesel's allegation that Montex had copied the mark from Diesel. Montex filed evidence in the opposition now at issue explaining the reasons behind that earlier omission.
3. It was open to Diesel during the proceedings before the Controller to apply to file whatever evidence it thought necessary or useful - in reply or otherwise. Contrary to Diesel's submission, the Controller did not refuse permission to Diesel to do so.
4. The evidence now sought to be adduced for the appeal does not anyway address that point, save by way of materials of which judicial notice can be taken (certificates of registration).
5. Neither is the new evidence justified by any surprising turn of events at opposition as regards Diesel's evidence of use of the mark. The hearing officer in the earlier opposition criticised the paucity of Diesel's evidence (paragraph 14). Yet Diesel simply refiled the same evidence for the opposition now at issue. The findings at both oppositions and in the earlier proceedings are essentially identical, namely that both parties were operating on the market at the date of application of the mark so as to give rise to a likelihood of confusion. **[word count: 299]**

8. Exceptional Circumstances Article 34.5.4.:

Where it is sought to apply for leave to appeal direct from a decision of the High Court pursuant to Article 34.5.4, please set out concisely, in numbered paragraphs, the grounds upon which it is contended that there are no exceptional circumstances justifying such an appeal. If the application is not opposed please set out precisely and concisely the grounds upon which it is contended that there are exceptional circumstances justifying such an appeal.

This section should contain no more than 300 words and the word count should appear at the end of the text.

Word count -

9. Respondent's grounds for opposing an appeal if leave to appeal is granted:

Please set out in the Appendix attached hereto the Respondent's grounds of opposition to the Grounds of Appeal set out in the Appellant's Notice of Appeal.

10. Cross Application for Leave:

If it is intended to make a cross application for leave to appeal please set out here precisely and concisely, in numbered paragraphs, the matter(s) alleged to be matter(s) of general public importance or the interests of justice justifying a cross appeal to the Supreme Court.

If it is sought to make a cross application for leave to appeal direct from a decision of the High Court, please also set out precisely and concisely, in numbered paragraphs, the exceptional circumstances upon which it is contended that such a course is necessary.

This section should contain no more than 500 words and the word count should appear at the end of the text.

Word count -

11. Additional Grounds on which the decision should be affirmed and Grounds of Cross Appeal

Please set out in the Appendix attached hereto any grounds other than those set out in the decision of the Court of Appeal or the High Court respectively, on which the Respondent claims the Supreme Court should affirm the decision of the Court of Appeal or the High Court and / or the grounds of cross appeal that would be relied upon if leave to appeal were to be granted.

12. Priority Hearing:

Yes

No

If a priority hearing is sought please set out concisely the grounds upon which it is alleged that such a hearing is necessary.

This section should contain no more than 100 words and the word count should appear at the end of the text.

Word count:

13. Reference to CJEU:

If it is contended that it is necessary to refer matters to the Court of Justice of the European Union, please identify the matter, and set out the question or questions which it is alleged it is necessary to refer.

This section should contain no more than 100 words and the word count should appear at the end of the text.

Word count:

Part II

The information contained in this part will not be published.

14. Respondent's Representatives:

If not provided in the application for leave to appeal please identify the solicitor and counsel for the respondent, with contact details for the solicitor dealing with the matter including an email address for the solicitor and lead counsel or in the case of a respondent in person please provide contact details including telephone and email.

15. Legal Aid:

In the case of an application by the DPP from an order in a criminal trial please confirm that a Legal Aid (Supreme Court) certificate has been granted by the Court below and please provide a copy of same.

To be served on:

t

ents,

Please file your completed Notice in:

**The Office of the Registrar of the Supreme Court
The Four Courts
Inns Quay
Dublin 7**

Appendix
Grounds of Opposition (and Cross Appeal)

1. **Title of the Proceedings:** *[As in the Court of first instance]*

THE HIGH COURT
Record no. 2013/641 Sp

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

-and-

THE CONTROLLER OF PATENTS, DESIGNS AND TRADE MARKS

First Defendant

-and-

MONTEX HOLDINGS LIMITED

Second Defendant

2. **Respondent's grounds for opposing an appeal if leave to appeal is granted:**

Please list concisely in numbered paragraphs, the Respondent's ground(s) of opposition to the grounds of appeal set out in the Appellant's Notice of Appeal.

1. The grounds on which Montex would oppose Diesel's appeal if leave to appeal were granted are that:
 - a. The Court of Appeal did not err in determining that the test set out in *Murphy v Minister for Defence* [1991] 2 IR 161 falls to be applied to applications for leave to adduce fresh evidence on appeal from the Controller to the High Court;
 - b. In so far as the *Murphy* test is the correct test to apply, the Court of Appeal did not err in the manner of its application to the facts and circumstances of Diesel's application to adduce fresh evidence on appeal;
 - c. If and in so far as this Honourable Court should find that the *Murphy* test was not the correct test to apply, refusal of the leave requested by Diesel would anyway have been required by an application of the alternative test

considered by the Court of Appeal and rejected, namely that formulated by Laddie J in respect of appeals from the UK Comptroller General of Patents, Designs and Trade Marks in the English High Court case of *Hunt-Wesson Inc.'s Trademark Application* [1996] RPC 233, and/or any other test that recognises, in the statutory requirement to obtain leave (section 26(9) Trade Marks Act, 1963, Order 94 rule 48 RSC), any constraint relating to the orderly conduct and/or finality of litigation, in the following circumstances:

- i. The trade mark opposition – the outcome of which is appealed to the High Court in these proceedings and in service of which this application to adduce additional evidence is brought -commenced before the Controller 17 years ago, in February 2002;
- ii. It consists of Montex's opposition to the application by Diesel (of 11 January 1994) to register the mark DIESEL and a Diesel logo for clothing;
- iii. It is integrally linked to an opposition of 19 September 1994 brought by Diesel to an earlier application of Montex (of 18 September 1992) to register the DIESEL mark for clothing (the "first opposition") – Diesel relied on the evidence filed in the first opposition to defend the current opposition;
- iv. The issues as between the parties in both sets of opposition comprise the questions of which party is the 'proprietor' of the DIESEL mark within the meaning of section 26 of the 1963 Act (i.e., which party was the first to use the mark in the State) and whether the registration of the DIESEL mark by the applicant in question would create a likelihood of confusion under section 19 of the 1963 Act;
- v. The Controller's decision in the first opposition (granting Diesel's opposition and denying registration to Montex) was appealed to the High Court and then to the Supreme Court (the "first proceedings"), in the course of which, it was found that Montex was the first to use the mark in the State for the purposes of 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;
- vi. These same questions of entitlement to registration as first user in the State and the confusion or otherwise as of the date of application (11 January 1994) arising out of the co-existence of the products of both parties on the market are before the High Court on appeal in the opposition and appeal in these proceedings; Diesel additionally makes a legal argument that a finding by the High Court in the first proceedings that Montex had not demonstrated that its use was *bona fide* (arising out of Montex's failure in those proceedings to deal with an allegation that Montex had copied the mark in Ireland in 1979 from Diesel which had been incorporated in Italy the year before) vitiates Montex's use for the purposes of both

proprietorship and co-existence so as to now clear the way for Diesel's registration of the mark;

- vii. 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 to Montex's application;
- viii. The evidence relevant to these issues is evidence of use of the mark by each party in the State up to the date of the relevant application – in the case of this opposition and appeal, 11 January 1994;
- ix. There was a four year period in the first proceedings before the Controller, between 1994 and 1998, in which such evidence could be, and was, filed on behalf of both parties;
- x. In the opposition now at issue and appealed from, there was a 6 year period (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 of the mark available to Diesel could have been submitted to the Controller (possibly more since the Patents Office hearing was not conducted until 21 May 2012) Diesel chose to refile its evidence from the first opposition;
- xi. The new evidence sought to be adduced by Diesel for the purposes of the appeal in these proceedings is of precisely the same type, namely affidavit evidence and copy invoices and advertisements, and relates to the same topic, namely use of the mark by Diesel in the State prior to its application to register the mark in January 1994, as the evidence filed on its behalf during both the first opposition and the opposition now appealed from;
- xii. It is on the basis of the evidence filed for the first opposition – the same evidence as was filed for the opposition now at issue (and recited at pages 83 to 89 of the Supreme Court's decision in the first proceedings at *Montex v Controller of Patents and Diesel* [2001] 3 IR 85) that the Supreme Court found that there was sufficient evidence of use of both marks at the same time in the State to justify a finding of likelihood of confusion under s 19 of the 1963 Act (p. 102);
- xiii. Netted down, 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 a matter of public record and affidavit evidence as to the alleged use of the mark in the State by Diesel or non-use by Montex (paragraph 27 of the High Court judgment and 14 of the Court of

Appeal judgment);

- xiv. Portions of the new evidence were admitted for the purposes of the appeal by Mr Justice Binchy in the High Court, who applied the *Hunt Wesson* test (a test that incorporates considerations equivalent to those in *Murphy* (which are though not mandatorily expressed or necessarily cumulative) and which include certain relevant considerations arising out of trade mark law and policy such as the desirability of keeping invalid marks off the register); portions of the evidence were admitted by Binchy J despite his findings that: the evidence the subject of the application could have been introduced at any time in the twenty-year history of the trade mark dispute between the parties; there was no explanation for the failure to adduce the said evidence; there were no trade mark policy related reasons for admitting the material; and that certain of it could not be adequately answered by Montex due to the passage of time;
- xv. The material was admitted despite the fact that the credibility issues and lack of internal consistency with Diesel's earlier evidence prompted the filing of 5 additional affidavits by Diesel to explain these matters once they were pointed out by Montex;
- xvi. Binchy J found that the new evidence could be significant for the appeal despite the existing finding of the Supreme Court of sufficient use on each side to create a likelihood of confusion in 1992 and Binchy J's own characterisation of the new evidence as serving only "*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*";
- xvii. Montex appealed the High Court decision not on the basis of the application of an incorrect test (as to which Montex argued that no matter whether the *Murphy* test or the *Hunt Wesson* test was applied Diesel's application must fail) but rather on the basis that the test applied had not been correctly applied by the High Court in circumstances where most of the High Court Judge's own findings under the *Hunt Wesson* test indicated that the application should fail;
- xviii. Applying the *Murphy* test the Court of Appeal referred [37] to two key findings of the High Court, namely the fact that the evidence the subject of the application could have been adduced before the Controller and there was no explanation as to why it had not been found and that surprise as to the relevance of the material could not be an explanation having regard to the centrality of the issue of use for the entire lifespan of the proceedings [39] and found that the first limb of the *Murphy* test was not met and the appeal must fail;
- xix. Montex seeks affirmation of the decision of the Court of Appeal on the basis that if the application of the *Murphy* test were to be upheld by this Honourable Court, its manner of application by the

Court of Appeal is unimpeachable and, if an alternative test such as the *Hunt Wesson* test were to be applied by the Court, that its application in turn must result in the refusal of Diesel's application to adduce new evidence.

2. Without prejudice to the generality of the foregoing and in specific response to the grounds of appeal set out by Diesel (and following the numbering of the said grounds):

1.

- a. No issue can arise for the Court of Appeal from the Supreme Court's decision in *Philadelphia Storage Battery Co. v Controller* [1935] IR 575 in 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. Further the *Philadelphia* case dealt with the standard of review in an appeal from the Controller to the High Court and not the test for adducing fresh evidence on appeal, which was the subject of the Court of Appeal Judgment. It is respectfully suggested for the reasons identified in Montex's opposition to Diesel's application for leave, that it is a misconception of the Court of Appeal Judgment to regard it as having decided not only the test to apply on the question of the admissibility of fresh evidence on appeal from the Controller, but also the question of the standard of review on such appeals.
- b. The decision in question did not bind the Court of Appeal for the reasons stated.
- c. Since the *Philadelphia* case dealt with the standard of review in appeals from the Controller under the predecessor legislation to the 1963 Act and not the test applicable to applications for leave to adduce fresh evidence under such predecessor legislation, the findings of the Court of Appeal did not involve a finding of an intention in the legislature to depart from its policy under the 1927 Act; without prejudice to that neither can an assumption be made that the legislature in 1963 had not evolved in its view of the role and function of specialist tribunals such as the Controller.
- d. While proceedings before the Controller are distinguishable from proceedings in the Superior Courts, they can be compared in that: production of documents and cross-examination are available in proceedings before the Controller (and were under the 1963 Act – section 60); challenges to the validity of intellectual property rights brought in the Court implicate rights 'in rem' in the same way as such validity proceedings which come before the Controller; in the facts of this case, while a right in rem is at issue, it does not affect the usage of third parties (as was the case in *Hunt Wesson*) and the dispute is best

characterised as an inter partes dispute; in so far as the Court of Appeal considered a policy objective of finality in litigation and orderly procedures to be common to both the High Court and the Controller, the Court did not err.

2. **[this number was omitted in the grounds of appeal]**
3. The Court of Appeal did not find that the *Murphy* test was the applicable test on the basis of a finding as to the scope of review on appeal from the Controller.
4. The Court of Appeal did not err in finding that the *Murphy* test applied to applications for leave to adduce new evidence on appeal from the Controller for the reasons pleaded by Diesel. In that regard:
 - a. It did not err on the basis of the reasons set out in paragraph 1 of the grounds of appeal on the basis of the responses made to the said paragraph above;
 - b. If, as alleged, the UK courts apply a different test, the Court of Appeal did not err on the basis that it differed from the UK courts in that regard;
 - c. The Court of Appeal did not attribute incorrect significance to the comments of Ms Justice Laffoy in *Unilever* and accurately referred to the learned judge's comments as to the policy considerations relating to advancing one's full case at first instance;
 - d. The Court of Appeal did not err in considering the policy objectives of requiring disputing parties to put their full case to specialist tribunals generally in arriving at its decision;
 - e. The casualness of Diesel in seeking to adduce additional evidence which was in existence and could have been adduced over a period of two decades is directly in point in this case – both as to a demonstration of the need for a test for adducing fresh evidence on appeal that would not have the effect of relegating proceedings before the Controller to a trial run and as to the application of the test in the circumstances of the case to rule out the evidence in question. There is no analogy as between Diesel's application to adduce fresh evidence on appeal to the High Court and the filing by Montex of evidence before the Controller pursuant to the relevant rules; Diesel could have filed whatever evidence it wished while the proceedings were before the Controller, in response to Montex's evidence or otherwise.
5. The Court of Appeal did not err in its application of the *Murphy* test as qualified by *Emerald Meats v Minister for Agriculture* [2012] IESC 48. The Court of Appeal approved the *Emerald Meats* qualification and,

respectfully, correctly identified [39] that there could have been no unpredictability as to Diesel's need to adduce evidence of use where evidence of use was the sole focus of the evidence in both proceedings for two decades. Further, and as argued at the hearing before the Court of Appeal the hearing officer for the Controller in the first opposition, Mr Peter Skinner, criticised the lack of concrete evidence adduced in the opposition in the first proceedings (paragraph 14). Diesel nevertheless decided not to augment its evidence in the second opposition. In light of that the criticism of the hearing officer, Mr Dermot Doyle (paragraph 78) in the second opposition could not come as a surprise.

6. In circumstances where the elements of the *Murphy* test are cumulative, (*Student Transport Scheme Ltd v Minister for Education and Skills* [2015] IECA 303), the Court of Appeal did not err in refusing leave on the basis that the application failed the first limb of the *Murphy* test (whether the evidence sought to be admitted could with reasonable diligence have been admitted before the Controller) without proceeding to consider the second and third limbs, namely the significance of the evidence to the appeal and its credibility.

3. Additional grounds on which the decision should be affirmed:

Please set out here any grounds other than those set out in the decision of the Court of Appeal or the High Court respectively, on which the Respondent claims the Supreme Court should affirm the decision of the Court of Appeal or the High Court.

1. The decision should be affirmed on the basis that Diesel's application not only failed the first limb of the *Murphy* test on the basis that the evidence sought to be admitted could with reasonable diligence have been admitted before the Controller, but on the basis that it also failed the second and third limbs of the test regarding the level of influence the evidence would be likely to have on the result of the case and the credibility of the evidence in the circumstances outlined above and in particular where:
 - a. The Supreme Court has already found sufficient use on the part of each party to create a likelihood of confusion in 1992 and where the High Court characterised the new evidence as serving only "*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*";
 - b. The credibility issues and lack of internal consistency with Diesel's earlier evidence is such that it prompted the filing of 5 additional affidavits by Diesel – in addition to the original 3 – in an attempt to explain these matters once they were pointed out by Montex.
2. In so far as this Honourable Court sees fit to apply the *Hunt Wesson* test or a test analogous to it, the refusal by the Court of Appeal of leave to admit the evidence applied for should be affirmed on the basis that the said test is satisfied in light of the matters outlined in the grounds of opposition to appeal above and in light of the

fact that there is no special consideration arising in the circumstances of the case under trade mark law or policy militating towards the admission of the new material.

4. Cross Appeal

Please set out in numbered paragraphs the Grounds of Cross Appeal relied upon if leave to cross appeal were to be granted.

5. Order(s) sought

Please set out in numbered paragraphs the order(s) sought if the Cross Appeal were to be successful.