CA on appeal from Chancery Division (Mr Justice Neuberger) before Aldous LJ; May LJ; Keene LJ. 10th October 2003.

JUDGMENT : Lord Justice Aldous:

1. E.I. Dupont De Nemours & Company (EIDP) appeal against two decisions and orders of Neuberger J.

2. What I will refer to as the first appeal, arises from an application by EIDP to register the mark DU PONT in class 25, the clothing class. That application was filed on 13th January 1995 and on 28th August 1996 proceeded under No. 1523636 to advertisement before acceptance in part A of the register. On 28th November 1996, S.T. Dupont (STD) opposed. In his decision dated 27th December 2001, Mr Knight, acting for the Registrar, rejected the opposition. STD's appeal was allowed by Neuberger J in his judgment of 27th November 2002. With leave of this Court, EIDP appeal.

3. The second appeal is concerned with an application by STD to register the mark S.T. DUPONT in stylised form in class 25. It was filed on 20th January 1995 and accepted under number 2008447. After advertisement registration was opposed by EIDP. The same Hearing Officer upheld the opposition. STD's appeal was successful before Neuberger J. This Court gave leave to appeal.

4. The two appeals are not mutually exclusive in that the evidence is similar in both and the parties agree that if the first appeal succeeds, then so must the second. However they do not agree that if the first fails the second must do so also.

5. The judge heard both appeals one after the other. However a feature of the hearing was the dispute between the parties as to whether an appeal from the Registrar was a rehearing or a review. After submissions which took up about a third of the day set aside for the appeals, the judge ruled that they were rehearings. That conclusion turned out to be irrelevant as his decision and his reasoning would have been the same if he had concluded that the appeals were reviews.

6. I have read the judgment of May LJ which deals in detail with the issues of whether CPR rule 52.11 applies, whether the appeals were rehearings or reviews and the principles to be applied when considering an application to introduce fresh evidence on appeal. I agree with it.

The First Appeal

7. STD raised three grounds of objection in their notice of opposition to EIDP's application to register DUPONT. First they alleged that registration would be contrary to sections 9 and 10 of the Trade Marks Act 1938 because the trade mark DU PONT was "neither adapted to distinguish the goods with which the applicants are connected in the course of trade, nor is it capable of so distinguishing." That ground of opposition was not pursued before the Hearing Officer, but an application was made to amend the notice of opposition to raise a surnominal objection under sections 9 and 10 of the Act. That application was refused by the Hearing Officer. The judge allowed the amendment and upheld this ground of opposition.

8. The second ground was based on section 12 of the Act. It was alleged that STD were the proprietors of a number of registered trade marks which included the word DUPONT. The goods covered by those registrations were of the same descriptions as those for which the application was sought and it so nearly resembled STDs' trademarks as to be likely to deceive and cause confusion. The mark actually relied on was STD's registered trade mark number 1571156 which consists of a signature registered for goods in class 25. The Hearing Officer rejected that ground of opposition and his decision was not appealed.

9. The third ground of opposition alleged that by reason of long and established use by STD of their name S.T. DU-PONT in relation to a wide range of clothes, use of the trade mark DU PONT would be likely to deceive or cause confusion and would be disentitled to protection in a court of justice. Thus registration would offend section 11 of the Act. That allegation was rejected by the Hearing Officer, but succeeded on appeal.

10. **The Section 9 and 10 Objections** – As stated above, the objection that was pleaded was not pursued before the Registrar and the Hearing Officer rejected the application to amend. That application to amend was renewed before the judge together with an application to adduce evidence in support. The

judge allowed both applications and refused an adjournment requested by EIDP to enable them to produce evidence on the issue.

11. The allegation as amended is: *"The mark DU PONT is according to its ordinary signification a common French surname. The Trade Mark of 1523636 is accordingly neither adapted to distinguish the goods with which the Applicants are connected in the course of trade nor is capable of so distinguishing Registration … would accordingly be contrary to the provisions of sections 9 and 10 of the Trade Mark Act 1938."*

12. The new evidence produced by STD consisted of a witness statement which established that the name DUPONT appeared between 800 and 900 times in the Paris telephone directory of 2000. It also suggested that the numbers would have been about the same in 1995.

13. EIDP contend that the judge was wrong to allow the amendment and the introduction of the fresh evidence; wrong to allow the amendment without also allowing EIDP to file evidence to deal with the new point raised and the new evidence of STD; and wrong not to remit the amended case to the Registrar. In any case EIDP contend that the judge was wrong to conclude, even taking into account the amendment and the new evidence, that the application did not qualify for registration under section 10 of the Act.

14. As I have said, the Hearing Officer refused STD leave to amend their notice of opposition to raise the surnominal objection. He held that the pleading as filed did not enable anyone to infer that STD had in mind the surnominal objection that had first been raised in a skeleton argument provided two days before the hearing. For that reason EIDP had not sought to respond to such an allegation and had not put in evidence to deal with this point. He concluded in paragraph 23 of his decision that the application to amend should be refused. He took into account that STD had been professionally represented, that the application to amend was late and that there was a likelihood of a need for an adjournment.

15. The judge considered the reasoning of the Hearing Officer. He said:

"28. Turning to the Hearing Officer's decision to refuse the objector permission to argue the surnominal point, it seems to me that, at any rate taking his reasons as set out in paragraph 23 of his decision at face value, it would be hard to characterise it as an inappropriate exercise of his discretion. Even if this were an appeal by way of rehearing, I would find it difficult to impugn his reasons on their face, subject perhaps to one point. That point is that he does not appear, at least expressly, to have taken into account the public interest, which, when considering whether to permit an objection to be raised to the registration of a trade mark, is a relevant factor, bearing in mind the monopoly consequences. However, on its own, I do not think that that would be enough to justify interfering with his decision. It is not as if the point featured large in argument before the Hearing Officer on this point, as I understand it."

16. The judge then considered whether the Hearing Officer was right in his conclusion that there was "*the likelihood of a need for an adjournment*", if he allowed the notice of opposition to be amended. He said:

"33. A more powerful point made on behalf of the opponent, however, is that there is no further evidence which the applicant could have adduced. The applicant had put in evidence apparently to support a case of acquired distinctiveness through Ms Bowler, in the sense that she gave evidence of the use of the mark DU PONT since 1963. When asked what further evidence he might wish to adduce to support a case on acquired distinctiveness, Mr Mellor, for the applicant, only identified the possibility of a survey. That does not seem to me to be an impressive point. As I have mentioned, the relevant date for judging the issue is in 1993, and the notion that there could be any reliable survey carried out in 2001 to find out how members of the public viewed the mark DUPONT eight years earlier seems to me little short of fanciful. Of course, I appreciate that evidence as at 2001 could be in theory probative of the state of affairs some eight years earlier. However, it does seem to me that the value of such a survey would be very unlikely to be significant. The cases show that any survey of public attitude has to be approached with care, indeed with a real degree of scepticism. I think any attempt to rely upon a survey of this sort for the purposes of establishing public attitudes eight years earlier would be very unsafe. …

37. As to the need for an adjournment, I take a rather different view from the Hearing Officer. For reasons already given, I am unconvinced by the applicant's need for an adjournment to gather evidence on the point. Quite apart from this, the position has changed, in that the applicant has by now been well aware of the fact that the

opponent wished to take the surnominal argument for nearly a year. None the less, the applicant has not sought to put in any further evidence on the topic of acquired distinctiveness. Mr Mellor makes the point that, by adducing such evidence, the applicant would effectively be "selling the pass" against itself. However, it was clear to the applicant that the opponent was seeking to raise this issue on appeal. The applicant could have served any further evidence, on a qualified "without prejudice" basis, namely, that it could not be referred to unless and until the opponent was permitted to raise the surnominal argument. Alternatively, if the applicant wished to know what the position was on the issue, it could have ensured that the question of whether or not the opponent would be entitled to pursue the surnominal argument on appeal should have been tried as a preliminary issue."

17. I would not differ from the judge's decision to allow the amendment and the introduction of the fresh evidence, if he had come to that conclusion upon a sound basis. In my view he did not. His first reason was based upon the submission of STD *"that there is no further evidence which the applicant could have adduced."* Those experienced in cases such as these, such as the Hearing Officer, would have known that the sort of evidence normally adduced on issues of distinctiveness included evidence from editors of trade and other magazines, evidence from buyers of department stores and perhaps survey evidence. Whether such evidence would have been forthcoming in this case the Hearing Officer could not predict until enquiries were made and the cost involved had been accepted by EIDP to have been necessary. That the Hearing Officer would have had in mind when coming to the conclusion he did.

18. The judge dismissed the idea of survey evidence because "I think any attempt to rely upon a survey of this sort for the purposes of establishing public attitudes eight years earlier would be very unsafe." He may be right as to the probative value of such evidence introduced in 2003. However he failed to take into account that that was a good reason for refusing the amendment. The notice of opposition was filed in November 1996. If the allegation had been pleaded at that date and evidence had been adduced of public attitudes at say the end of 1996 or the beginning of 1997, there would still have been argument as to the value of that evidence when the relevant date was January 1995. However EIDP would have had a better chance of establishing such attitudes were the same as existed in 1995 than they had in respect of a survey carried out in 2003. Thus the late amendment tended to prejudice EIDP. That was an indication that the application should have been refused.

19. The judge was right when he said that EIDP had been aware that STD wished to take the surnominal objection. But it was unjust to place the burden on EIDP of obtaining evidence on a "without prejudice" basis or to seek an order that the question of amendment should be tried as a preliminary issue. STD were the party seeking the indulgence of the court. Surely any failure to have the matter tried as a preliminary issue must be their fault at least as much as the fault of EIDP. That is particularly relevant where STD complain that EIDP had not gone to the expense of seeking evidence to be served on a without prejudice basis when the expense could have been considerable and I have no doubt that if the application on appeal had been rejected, STD would not have consented to paying the costs of its collection.

20. In my view the judge had no good reason to reverse the Hearing Officer's decision to refuse the application to amend. He had particular experience in dealing with opposition proceedings and would have been well aware that an adjournment would probably have been necessary. Further this was a case that needed to be decided with reasonable expedition as the application was nearly seven years old. I would therefore set aside that part of the judge's order that allowed the amendment with the result that the section 9 and 10 objections to registration must fail. However I would also have rejected the objections, as pleaded by amendment, and I will set out my reasons for that conclusion.

21. EIDP did not in this Court seek registration in Part A. They submitted that registration should be allowed in Part B as the trade mark DU PONT satisfied the requirements of section 10 of the Trade Marks Act 1938. It read as follows:

"10. (1) In order for a trade mark to be registrable in Part B of the register it must be capable, in relation to the goods in respect of which it is registered or proposed to be registered, of distinguishing goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no

such connection subsists, either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within the extent of the registration.

(2) In determining whether a trade mark is capable of distinguishing as aforesaid the tribunal may have regard to the extent to which -

(a) the trade mark is inherently capable of distinguishing as aforesaid; and

(b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact capable of distinguishing as aforesaid.

(3) A trade mark may be registered in Part B notwithstanding any registration in Part A in the name of the same proprietor of the same trade mark or any part or parts thereof."

22. Section 10 has to be read in the light of section 9:

"9.(1) In order for a trade mark (other than a certification trade mark) to be registrable in Part A of the register, it must contain or consist of at least one of the following essential particulars:

(a) the name of a company, individual or firm, represented in a special or particular manner;

(b) the signature of the applicant for registration or some predecessor in his business;

(c) an invented word or invented words;

(d) a word or words having no direct reference to the character or quality of the goods, and not being according to its ordinary signification a geographical name or a surname;

(e) any other distinctive mark, but a name, signature, or word or words, other than such as fall within the descriptions in the foregoing paragraphs (a), (b), (c) and (d), shall not be registrable under the provisions of this paragraph except upon evidence of its distinctiveness.

(2) For the purposes of this section "distinctive" means adapted, in relation to the goods in respect of which a trade mark is registered or proposed to be registered, to distinguish goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within the extent of the registration.

(3) In determining whether a trade mark is adapted to distinguish as aforesaid the tribunal may have regard to the extent to which –

(a) the trade mark is inherently adapted to distinguish as aforesaid; and

(b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact adapted to distinguish as aforesaid."

23. Section 9(1)(d) allows registration of words having no direct reference to the character or quality of the goods which are not according to their "*ordinary signification … a surname*". Such surnames can only be registered on evidence of distinctiveness, being evidence which establishes that they are adapted to distinguish. The reason for that is found in section 13 which provides that registration in Part A (a section 9 registration) shall, after seven years of registration, be taken to be valid. That does not apply to Part B marks. They are always open to attack upon the ground that they should never have been registered.

24. Section 10 only requires that the mark should be capable of distinguishing the goods of the proprietor from those of others. No mention is made of surnames, but prima facie a well-known surname such as "Smith" would be unlikely to be seen to be capable of distinguishing the proprietor's goods. In such cases section 10(2) may provide the answer. The trade mark may have some feature, for example a stylised form, which renders the mark inherently capable of distinguishing. Also, use or other circumstances can be taken into account to decide whether it is in fact capable of distinguishing. In essence section 10(2) requires consideration of the mark itself and all the surrounding circumstances and thereafter a decision as to whether it is capable of distinguishing the proprietor's goods.

25. Against that background, I turn to the judge's conclusion. In paragraph 30 of his judgment he set out the guidelines of the Registrar for registration in Part B. They were: *"Marks may be accepted in Part B if they appear as surnames not more than thirty times in the London telephone directory and not more than fifty times in the relevant foreign telephone directory."*

26. It was accepted that the Paris telephone directory would be a relevant foreign telephone directory. Having decided to allow the amendment and the introduction of the new evidence he said:

"44. The short telephone directory evidence is also effectively conclusive on the surnominal issue (subject to the final point I must consider, namely acquired distinctiveness). I have summarised the approach of the Registry as to the effect of telephone directory entries on the surnominal issue. In these circumstances, subject always to the acquired distinctiveness argument, it appears to me that the objector has a good case on the basis that Dupont is a common surname."

27. I do not understand how the fact that the name DUPONT appears in the Paris telephone directory more than eight hundred times can be effectively conclusive on the decision that is required under section 10, namely whether the trade mark DU PONT is capable of distinguishing EIDP's clothes in the United Kingdom. It may be that the judge had in mind that the guidelines were conclusive. If he did, then he was wrong to believe that a surname which did not satisfy the guidelines could not be registered.

28. Mr Arnold QC, who appeared for STD, drew to our attention the way that guidelines had been used by the Registrar over many years when deciding whether registration was permissible. However they have changed over the years since 1938. For example, following the decision of Whitford J in **Ciba Trademark** [1983] RPC 75 new guidelines were issued. The Registrar said that the change was due to the fact that names which occurred below the threshold might still convey a surnominal significance to some people in this country and so could not be regarded as invented words, but the number of such people was likely to be so small as to be disregarded as being de minimis. In essence the new guidelines set the threshold below which the Registrar would not raise a surnominal objection.

29. Mr Hobbs QC, who appeared with Mr Mellor for EIDP, submitted that the guidelines were no more than guidelines and could not provide a shortcut to avoid considering the test laid down in section 10. Further the fact that Dupont might be a common French name did not mean that it did not have the capacity to distinguish in the United Kingdom. The guidelines may be useful to help practitioners as to the general attitude of the Registry. However they cannot be decisive and probably not even helpful when deciding a opposition. As I said in **Al Bassam Trade Mark** [1994] RPC 315 at pages 383-4, initially quoting from the decision of Mr Myall for the Registrar: "… *"There is no doubt on the evidence that Al Bassam can be a surname. Prima facie it faces objection, but the Registrar has a well- established practice whereby, after enquiry, surnames may be registered if they are found to have such little currency as not to be likely, if registered, to embarrass other traders. The practice is set out in the published Practice Guide to the Examination of Trade or Service Marks, and the relevant section reads:*

*'(ii). **Surnames With Other Well-Known Meanings**. Surnames with truly well-known meanings (i.e., a meaning which is immediately known to the man in the street without the use of reference books) may be accepted for registration under the principles set down in the Swallow case (64 R.P.C. 92), which were approved by the Court of Appeal in the Cannon case:*

a. Marks may be accepted in Part A if they appear as a surname not more than 50 times in the London telephone directory and/or not more than 100 times in any relevant foreign directory;

b. Marks may be accepted in Part B if they appear as surnames not more than 100 times in the London telephone directory and/or not more than 200 times in any relevant foreign telephone directory.'

*This practice can be applied to the application in suit, subject to the qualification that the man on the street will understand Arabic, know that **Al Bassam** can mean 'the smiling' or 'the one who smiles a lot' besides being a surname."*

The Assistant Registrar went on to refer to the evidence as to the number of times that the name ***Al Bassam*** appeared in a number of telephone directories in Saudi Arabia. He thereafter applied the Practice Guide which I have read and concluded: *"Considering the mark as a whole, I find that it is capable of distinguishing the applicants' goods so as to qualify it for registration in Part B, subject to disclaimer of descriptive material."*

The Practice Guide may be a useful guide to be applied at the examination stage; but it cannot be used in oppositions to test compliance with section 10. In these times when telephones are being used by more and more people, 50 entries in the London Telephone Directory today might be equivalent to 40 in, say, 1980. Thus the Guide, if it is to be used, would have to be updated regularly to take into account recent trends in the availability of telephones. Further, the Guide does not take into account the increasing number of persons who are going ex-

directory, nor does it enable comparison of one foreign telephone directory with another according to the wealth, population and situation of the country in which the town is situated.

*It is settled law that when there is an appeal from the Registrar concerning registrability of a trade mark, the court should not interfere unless it is clear that he has gone wrong (**In the Matter of an Application by F. Reddaway & Co. Ltd. to Register a Trade Mark** (No. 420,023). (1927) 44 R.P.C. 27 at 36, line 4). In this case, I believe the Assistant Registrar was wrong in applying the Practice Guide as a substitute for considering whether the mark was registrable having regard to section 10. The two tests are not necessarily the same."*

30. I also held at page 385 that the important consideration was the position in this country. *"The test under section 10 is not as stringent as under section 9. Even so, I believe that it is best judged by adopting a similar approach which involves considering all the relevant circumstances. In particular the court should consider whether the mark is capable of distinguishing the proprietor's goods from those of other traders and when doing so take account of the extent to which registration would impinge on the right of innocent traders to conduct their honest business.*

The appellants submitted that when considering whether a mark was capable of distinguishing, it was right to take account of the position in such countries as Saudi Arabia as that is where the mark had been and would be used. The applicants submitted that the court should confine its consideration to the position in the United Kingdom, no doubt taking into account use by foreign nationals in this country and any reputation that came from abroad.

I believe that the applicant's submissions are correct. …"

31. That conclusion was accepted to be correct by the Court of Appeal (see [1995] RPC 511) where Morritt LJ gave the leading judgment. He said at page 526: "… *"The evidence establishes that the name Al Bassam is fairly common in Saudi-Arabia as appears from the number of entries in telephone directories. However, that is not the position in this country. Even so, I believe it right to conclude that Arabic speakers in this country would recognise the name as having a surnominal significance, but I see no reason to conclude that it would not be capable of distinguishing as the name is so little known in this country. There is no evidence which leads me to think that registration of the mark in Part B would impinge upon the needs of any honest trader in this country."*

*The Opponents accept that the test there formulated is wholly consistent with the formulations established in **W & G du Cros Ltd.'s Applications** (1913) 30 R.P.C. 660 at page 672; **Bagots Hutton & Co. Ltd.'s Application** (1916) 33 R.P.C. 357 at page 369; **Reddaway's Application** (1927) 44 R.P.C. 27 at page 37 and **Impex Electrical Ltd. v. Weinbaum** (1927) 44 R.P.C. 405 at page 410 **Impex Electrical Ltd. v. Weinbaum** (1927) 44 R.P.C. 405 at 410. But they contend that section 31 Trade Marks Act 1938 has changed the law in this respect. They rely on a passage in the judgment of Sir Raymond Evershed M.R. in **Hassan-el-Madi's Application** (1954) 71 R.P.C. 348 at page 357 which left for future consideration whether section 31 had any effect on **Bagots Hutton**. I confess that I do not see how section 31 can have any effect on the principle of **Bagots Hutton** and **Reddaway.** All section 31 does is to treat the application of the trade mark and any other act done in the United Kingdom in relation to goods to be exported from the United Kingdom as done in the United Kingdom in relation to goods to be traded in the United Kingdom. If, in accordance with **Bagots Hutton** deception or confusion abroad is a matter for the courts of that jurisdiction and not a ground for refusing registration in the United Kingdom section 31 by, in effect, removing the foreign element cannot affect the matter.*

In my view the judge was right to consider the ability of the mark to distinguish the goods of Courtaulds by reference to the position in the United Kingdom only and the appeal on this point also fails."

32. When considering the capacity of a mark to distinguish in the United Kingdom, it is of course relevant to take into account that people travel between this country and France and that the significance of a word in this country can be influenced by its significance in France. The extent of that influence will depend on the circumstances of each case.

33. There have been many cases which have given guidance as to the circumstances that the court will take into account when considering capacity to distinguish starting from the well-known judgment of Eve J, sitting in the Court of Appeal, in **In the matter of an application by H.G. Burford & Co. Ltd for a Trade Mark** [1919] 36 RPC 139 at 150. They include (i) the extent, type and effect of user of the trade mark; (ii) the characteristics of the trade mark which includes whether it is an unusual or common name; (iii) the

nature of the goods for which the trade mark is sought to be registered and the nature of the trade in those goods; (iv) the extent to which registration would impose upon the needs of other traders.

34. Mr Hobbs submitted that the evidence filed established that EIDP had used the trade mark DU PONT for clothes and that such evidence was decisive that the trade mark was capable of distinguishing. He referred to section 68(1) of the 1938 Act which defined a trade mark as *"a mark used … in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person having the right … to use the mark …"*. He submitted that the use by EIDP was in relation to clothes within class 25 and was to indicate a connection in the course of trade between those goods and his clients.

35. EIDP's evidence was accurately summarised in paragraphs 9-15 of the Hearing Officer's decision. In essence that evidence established very substantial use of the trade mark DU PONT upon swing tickets and the like applied to clothes. A typical example is shown below.

36. Mr Hobbs submitted that the use of the trade mark DU PONT on that ticket was in relation to the clothes, alternatively in relation to the fabric. Both uses were trade mark use as the purpose and effect was to indicate a connection in the course of trade between the goods and his clients. I reject his first submission, essentially for the reasons given by the Hearing Officer in paragraph 27 of his decision in the opposition to STD's trade mark application which the judge accepted to be correct in paragraph 48 of his judgment. In my view the word DU PONT as used on the swing ticket depicted in paragraph 35 above denotes that the yarn or fabric has a connection with the proprietor of the trade mark. That use may be use in relation to clothes, but it is not so as to indicate a trade connection between the clothes and the EIDP. Guidance consistent with that view can be obtained from the speeches of the House of Lords in **Aristoc Ltd v Rysta Ltd** [1945] 62 RPC 65. As Lord Simonds said at page 85: *"The word "trade" has many meanings, wide or narrow, according to the context in which it is found. It is by the ascription to it of a wide meaning in s. 68 of the Act that the respondents support their claim. But it appears to me that the subject matter, the history of the law and the context in which the word is found both in s. 68 and elsewhere in the Act, unite to deny to it any such meaning. It might be true to say that the respondents carry on a trade which is connected with stockings, just as a cleaner carries on a trade which is connected with the goods that he cleans or a piano-tuner a trade connected with the piano he tunes, but it does not follow, and in my opinion it is not the fact, that there is in any such case such a connection in the course of trade between the goods and the person rendering that service or performing that operation as to satisfy the definition in s. 68. It is unnecessary, and would be dangerous, to attempt to give a positive and exhaustive meaning to the word "**trade**" in the definition. It is sufficient to say that it can bear no wider meaning than it would bear if the words "**in the goods**" were added after it. The test is then whether the applicant for the mark can be said to trade in the goods, and this test is clearly not satisfied by one who merely renders some service in respect of them after they have reached the public."*

37. Section 10(2)(b) of the Act states that the tribunal may have regard to "the extent to which … by reason of the use of the trade mark or any other circumstances, the trade mark is in fact capable of distinguishing as aforesaid." Use of the trade mark or even a similar trade mark in relation to the articles for which registration is sought, or even in relation to other articles, could be relevant. **Esso Trade Mark** [1972] RPC 283 and **Laura Ashley Trade Mark** [1990] RPC 539 are cases where use of a trade mark for similar, but different articles, was taken into account. As was pointed out in the *Laura Ashley* case, the relevance of use of the trade mark on other goods must depend on the ability to make a sound extrapolation from one type of goods to the other.

38. As Mr Arnold pointed out, the mark DU PONT has no apparent signification other than as a name. In this country it is a surname and the evidence as to the large number of entries in the Paris telephone directory also tends to indicate that it has a significance as a surname. However as found by the Hearing

Officer in paragraph 27 of his decision in the opposition to STD's trade mark application – *"I have little doubt however that the relevant "trades", manufacturers of textiles and clothing manufacturers would as a result of the opponent's [EIDP's] promotion of it in relation to its use as a fabric would recognise the term DUPONT as a trade mark in respect of those fibres (and fabrics)." He made a similar point in paragraph 30 when he concluded that EIDP's trade mark had a significant degree of distinctiveness. That was a conclusion which was accepted by STD. They said that they did "not dispute that DU PONT is distinctive of EIDP in relation to plastics and the like".*

39. If DU PONT is distinctive of EIDP when used in relation to fabric, I can see no reason why it should not be capable of distinguishing clothes which are produced by EIDP. The evidence of entries in telephone directories would be as relevant to an objection to register DU PONT in respect of yarns and fabric as it would be in relation to clothes. Despite that evidence DU PONT has become by use distinctive of EIDP's fabrics, thereby showing that it has the capacity to distinguish in respect of those articles and I can see no reason why that capacity should be lost when it is applied to clothes connected with EIDP.

40. I conclude that the Hearing Officer came to the right decision and therefore the objection that registration would be contrary to section 10 of the Act fails.

41. **The Section 11 Objection** – STD alleged that by virtue of their long and established use of S.T. DUPONT they had acquired a substantial reputation in the name DUPONT. Their evidence did not make good that allegation. The evidence established that in the last eighteen months prior to the priority date they had sold about 1,500 to 1,600 articles of menswear through mini-shops in Harvey Nichols stores in London and Leeds. The notice of opposition went on to allege that having regard to STD's use, use of DU PONT by EIDP would be likely to deceive or cause confusion and would be disentitled to protection with the result that registration would contrary to the provisions of section 11 of the 1938 Act. That section read:

> *"11. It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design."*

42. The Hearing Officer concluded that the evidence did not establish any real use of S.T. DUPONT. Mr Hobbs did not seek to support that conclusion.

43. The judge held that STD's use was by the beginning of 1993 *"substantial, if not great, such that its use would have involved a reputation with a sufficiently "**substantial**" number of persons for there to have been a real risk of confusion if the applicant [EIDP] used a virtually identical mark in relation to clothing."* To arrive at that conclusion he relied on the fact that STD had dealt with a major department store and its clothes would have been seen by a fair number of members of the public, not just the 1,500 to 1,600 persons who had made purchases. He went on to conclude that having regard to that use the section 11 objection succeeded. Mr Arnold supported the conclusions of fact and the result.

44. Mr Hobbs submitted that the judge had failed to apply section 11 correctly. In any case the use was, he submitted, de minimis in that it was minimal in area, extent and number. It was not such that the likelihood or deception orf confusion could be inferred.

45. Section 11 requires the court to consider use of the trade mark applied for (DU PONT) in a normal and fair manner. That means use of the trade mark DU PONT on swing tickets or labels on any of the goods for which registration is sought. In view of STD's use it is appropriate to take menswear as an example. Thereafter the court has to decide whether by reason of the use being likely to deceive or cause confusion or otherwise, the trade mark would be disentitled to protection in a court of justice.

46. The meaning of the words in section 11 was the main issue in the **Bali Trade Mark** case [1969] RPC 472. As Lord Morris made plain in the *Bali* case at page 489 line 18, that section requires an answer to two questions. First, whether at the date of application (1993) use of the trade mark DU PONT would be likely to deceive or cause confusion and second, if so, whether by reason of that it would in 1993 have been disentitled to protection in a court of justice.

47. Lord Morris said little as to the first question, but on page 487 he appeared to endorse the test noted by Eversheed J in **Smith Hayden & Co's Application** [1946] 63 RPC 97 as he said: *"Section 11 is really a very*

general provision. Some of the differences between the two sections [sections 11 and 12] and the tests to be respectively applied were noted by Evershed J in ***Smith Hayden & Co.'s Application*** *(1946) 63 R.P.C. 97. In regard to section 11 he said: "****Having regard to the reputation acquired by the name HOVIS, is the court satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?****" On the facts of that particular case the reference was to reputation acquired. The reference could also be to the established use made of a name or word."*

48. Lord Morris went on to the second requirement. At page 489 he said: *"As to (b) it may or may not be that if Berlei had in 1938 become aware of sales under the name BALI they would have had evidence to establish success in passing off proceedings. If it be assumed that they would not have been able to produce such evidence the position would nevertheless have been that the mark BALI was disentitled to protection. Before 1875, when registration of trade marks began, there could be property in a trade mark: the right of property in a distinctive mark was acquired by a trader merely using it upon or in connection with his goods irrespective of the length of such user and without proof of recognition by the public as a mark distinctive of the user's goods: that right of property would be protected by an injunction restraining any other person from using the mark. Thus, in his judgment in* ***Bass, Ratcliff & Gretton v. Nicholson & Son Ltd****. (1931) 48 R.P.C. 227 (which concerned "old" trade marks referred to in section 19 of the 1905 Act which were in use before 1875) Lawrence L.J. referred to the fact that no evidence of recognition by the public was required in order to prove that a distinctive mark was in use as a trade mark before 1875. He said at page 251:*

> *"What is required for that purpose is proof that the mark before that date was in fact used as a trade mark, that is, was used by the trader in his business upon or in connection with his goods, and it is not necessary to prove either the length of the user or the extent of the trade. In other words, the character and not the length or extent of the user is the only thing that has to be established."*

Having examined certain authorities he said at page 253 that they showed …

> *"that it was firmly established at the time when the Act of 1875 was passed that a trader acquired a right of property in a distinctive mark merely by using it upon or in connection with his goods irrespective of the length of such user and of the extent of his trade and that such right of property would be protected by an injunction restraining any other person from using the mark."*

In the House of Lords ***Bass, Ratcliff & Gretton v. Nicholson & Son Ltd****. (1932) 49 R.P.C. 88 Lord Russell of Killowen said at page 107:*

> *"Nor is it in my opinion necessary in this connection to establish that the mark has been recognised by the public as a mark distinctive of the user's goods."*

He expressed satisfaction with the reasoning of Lawrence and Romer, L.JJ. on the point. That, therefore, was the state of the law when the Trade Marks Registration Act, 1875, was passed. By section 6 it was enacted:

> *"… It shall not be lawful to register as part of or in combination with a trade-mark any words the exclusive use of which would not, by reason of their being calculated to deceive or otherwise, be deemed entitled to protection in a Court of Equity or any scandalous designs."*

49. Mr Arnold submitted that it was not in dispute that STD had used S.T. DU PONT in respect of menswear prior to 1993 and that the trade marks DU PONT and S.T. DUPONT were so similar that if they were both used normally and fairly on the same goods there would be a likelihood of deception or confusion. He submitted that at the time the 1875 Act had been passed, STD would, as result of use, have had a right of property that would be protected by an injunction. As S.T. DU PONT and DUPONT were deceptively similar, it followed that DUPONT would be disentitled to protection in a court of justice. The consequence was that the section 11 objection succeeded.

50. Mr Hobbs submitted that section 11 was not concerned with proprietorship or with who had first use. As Lord Morris made clear, prior to 1875 a trader only acquired a right of property in a trade mark if it was distinctive. S.T. DUPONT, being a surname, would not be taken as distinctive without evidence of distinctiveness. STD had not produced such evidence. It followed, he submitted, that the court had to consider the extent of STD's use when deciding whether there would be deception or confusion. It then had to decide whether, having regard to that use, the court was satisfied that use by EIDP of DU PONT in a normal and fair manner in relation to menswear was not reasonably likely to cause confusion

amongst a substantial number of persons. If so, then EIDP's use would not be disentitled to protection in a court of justice.

51. The difference between the submissions of Mr Arnold and Mr Hobbs is stark. Taking the submissions to the extreme, Mr Arnold contends that a person who has prior use of a mark will succeed in a section 11 objection providing the two marks are confusingly similar. Mr Hobbs contends that in this case the extent of use of the opponent is relevant because the trade mark of the opponent was not a distinctive mark. He submits that the section was enacted to protect the public and as such was concerned with whether the proposed use by EIDP would cause actual, not theoretical, deception or confusion. It was, he submitted, only when that occurred, that a court would conclude that a person was disentitled to protection in a court of law.

52. The point in issue in this case was not relevant to the decision in the *Bali* case as there had been substantial use, but the answer can be derived both from the section and from the reasoning in the speeches in that case.

53. Section 12 was enacted to protect the position of a rival trader whereas section 11 was there to protect the public. The purpose of section 11 was explained by Lord Morris in the ***Bali*** case at page 488: *"An example of a case where because of something contained in a mark there was* ***disentitlement to protection irrespective of considering any rights of other traders is to be seen in Eno*** *v. Dunn (1890) 7 R.P.C. 311. The public knew of Mr. Eno's Fruit Salt and would be likely to be deceived if Mr. Dunn adopted the expression "Fruit Salt". Upon a consideration of what was then section 73 of the Act of 1883 (which was amended by section 15 of the Act of 1888 so as to omit the word "exclusive") it was held by a majority in this House that the evidence showed that the words which Mr. Dunn proposed to use were calculated to deceive the public. So the case fell within section 73. Mr. Eno had had trade marks on the register but he submitted to an order to remove them from the register. In his opposition to Mr. Dunn's application to use the term "Fruit Salt" he confined himself to the contention that the term was calculated to deceive. Lord Macnaghten in his speech said:*

> *"The question is one between Mr. Dunn and the public, not between Mr. Eno and Mr. Dunn. It is immaterial whether the proposed registration is or is not likely to injure Mr. Eno in his trade. Equally immaterial, as it seems to me, is the fact that for a considerable time Mr. Eno had on the register, as his trade mark, the words FRUIT SALT. Mr. Eno may have gained some advantage to which he was not properly entitled: but that is hardly a reason for permitting Mr. Dunn to practise a deception upon the public.""*

54. Lord Upjohn was of the same view. He said at page 495: *"Section 11 and its forebears were designed not so much for the protection of other traders in the use of their marks or their reputation but for the protection of the public. This was made quite plain by the majority of opinions in your Lordships' House in* ***Eno v. Dunn*** *(1870) 7 R.P.C. 311."*

55. The ***Bali*** case also established that the court's consideration under section 11 is directed to whether use of the trade mark would by reason of deception or confusion or otherwise be disentitled to protection in a court of justice. The words "disentitled to protection in a court of justice" refer back to an era when a person who had a property right had to come to a court of equity for his right to be protected. That right would, in accordance with general equitable principles, be denied protection if there was an element of deception in the claim or it was otherwise not founded on truth (see Lord Wilberforce at page 501 lines 40-47). As Lord Upjohn pointed out at page 496 line 5, the emphasis is upon the question whether the owner of the mark in suit, assuming him to bring an action against another trader, would be disentitled to protection for a section 11 reason.

56. I have quoted in paragraph 47 above the passage in Lord Morris's speech in which he explained that prior to the first Trade Marks Act in 1875, there existed a right to restrain infringement of an unregistered trade mark. That right was considered to be a right of property acquired by use. It did not depend upon length of user (see **Nicholson & Sons Ltd's Application** (**Bass v Nicholson**) [1931] 48 RPC 227 at 253).

57. It is not surprising that despite use, no property right could be acquired in a trade mark which was not a "fancy mark" namely one which was distinctive. It was for that reason that Lord Morris said: "the right of property in a distinctive mark was acquired by a trader by using it …" (see paragraph 48 above).

58. A surname such as S.T. DUPONT would not prior to 1875 have been considered distinctive such as to enable the first person who used the name in relation to clothes to acquire a property right irrespective of length of use.

59. In my view the extent and type of user by an opponent of a mark, such as a surname, which is not distinctive must be relevant in deciding whether the person seeking to enforce a property right would be disentitled to protection in a court of law. The court is basically concerned with whether the applicant for registration, EIDP, would (forgetting onus) when seeking to enforce a property right in the mark be likely to practice deception or cause confusion on the public.

60. In the present case, I do not believe that EIDP would have been denied protection in a court of justice if they had sought to enforce a property right, based upon use of DU PONT on menswear, against a rival trader. They had for many years used that trade mark for fabrics and it was distinctive of them. The only use of a similar name was by STD on menswear in two outlets in Harvey Nichols. That use by STD started after the trade mark DU PONT had become distinctive of EIDP's fabric and was so limited in extent and area that use of DU PONT in relation to menswear would not be reasonably likely to cause deception or confusion amongst a substantial number of persons. That being so, the section 11 objection must fail.

61. **The Section 12(2) Objection** – EIDP contended that if the section 11 objection succeeded, the application should be allowed having regard to section 12(2) of the 1938 Act. That subsection read as follows:

> *"12(2) In case of honest concurrent use, or of other special circumstances which in the opinion of the Court or the Registrar make it proper so to do, the Court or the Registrar may permit the registration of trade marks that are identical or nearly resemble each other in respect of the same goods or descriptions of goods by more than one proprietor in respect of –*
> *(a) the same goods*
> *(b) the same description of goods or*
> *(c)goods and services or descriptions of goods and services which are associated with each other,*
> *of marks that are identical or nearly resemble each other,*
> *subject to such conditions and limitations, if any, as the Court or Registrar, as the case may be, may think it right to impose."*

62. In view of the conclusion that EIDP had not used the mark DU PONT on clothes, they contended that registration should be permitted having regard to "other special circumstances". The circumstances relied on as being special were the long and extensive use in an allied field, namely in relation to fabric.

63. That submission was ambitious and cannot be accepted. EIDP did not use DU PONT for clothes up to the date of application and there is no evidence that they have used it for such goods since that date. Section 12(2) is not a route for registration of unused marks for goods in a different class. If defensive registration was to be sought, an application should have been made under section 27 of the Act.

The Second Appeal

64. In view of the conclusion reached on the first appeal, it is accepted that this appeal succeeds and that the decision of the registrar should be restored. However I am of the view that if the first appeal had failed, I would even so have allowed this appeal. I will shortly give my reasons. The second appeal falls to be considered under the Trade Marks Act 1994. The ground relied on is contained in section 5(4)(a) which reads as follows:

> *"(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -*
> *(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or …"*

65. EIDP contended that use of S.T. DU-PONT upon clothes, say stockings or menswear, was liable to be prevented because such use amounted to passing off. They relied on the reputation and goodwill in the

mark DU PONT over many years in respect of yarns and fabric. As held by the Hearing Officer, *"the relevant "trades", manufacturers of textiles and clothing manufacturers would as a result of the opponents [EIDP] promotion of it in relation to its use as a fabric recognise the term DUPONT as a trade mark in respect of fibres (and fabrics)."* I believe that that conclusion by the Hearing Officer was not seriously disputed. In view of the evidence of extensive use, I believe that STD were right to accept (see paragraph 38 above) that DU PONT was distinctive of EIDP's plastics and the like.

66. It was STD's contention, which was accepted by the Hearing Officer, that there was no relevant distinction between the trade marks S.T. DU PONT and DUPONT. In my view, taking into account the normal imperfect recollection of the public, he was right to so hold. It follows that any use by STD of S.T. DU PONT upon or in relation to fabrics would be taken by the trade and the public as a representation that those fabrics were made by EIDP or were connected or associated with them. Against that background of fact, I come to what EIDP would need to establish to succeed in a passing off action.

67. The law of passing off can for the purposes of this case be taken from the well-known speech of Lord Parker in **A.G. Spalding & Bros v A.W. Gamage Ltd** (1915) 32 RPC 273 at page 284. *"My Lords, the basis of a passing-off action being a false representation by the defendant, it must be proved in each case as a fact that the false representation was made. It may of course, have been made in express words, but cases of express misrepresentation of this sort are rare. The more common case is, where the representation is implied in the use or imitation of a mark, trade name, or get-up with which the goods of another are associated in the minds of the public, or of a particular class of the public. In such cases the point to be decided is whether, having regard to all the circumstances of the case, the use by the defendant in connection with the goods of the mark, name or get-up in question impliedly represents such goods to be the goods of the plaintiff, or the goods of the plaintiff of a particular class or quality, or, as it is sometimes put, whether the defendant's use of such mark, name, or get-up is calculated to deceive. It would, however, be impossible to enumerate or classify all the possible ways in which a man may make the false representation relied on."*

68. Mr Arnold did not dispute the reputation and goodwill of EIDP in respect of fabric, but submitted that there was no evidence or basis for concluding that STD's use of their name upon any of the clothes for which registration is sought amounted to a misrepresentation. Mr Hobbs accepted that there was no evidence as to the misrepresentation, but submitted that having regard to the reputation of the mark DU PONT, the similarity between the mark and S.T. DUPONT and that the clothes for which registration were sought could be made from EIDP's fabric, it was clear that there would be deception amongst a substantial number of persons. Mr Hobbs also submitted that it was for the court to decide whether there would be deception and confusion. In support he relied upon this passage of Lord Parker's speech in ***Spalding v Gamage*** at page 286. *"It was also contended that the question whether the advertisements were calculated to deceive was not one which your Lordships could yourselves determine by considering the purport of the advertisements themselves, having regard to the surroundings circumstances, but was one which your Lordships were bound to determine upon evidence directed to the question itself. I do not take this view of the law. There may, of course, be cases of so doubtful a nature that a Judge cannot properly come to a conclusion without evidence directed to the point; but there can be no doubt that in a passing-off action the question whether the matter complained of is calculated to deceive, in other words, whether it amounts to a misrepresentation, is a matter for the Judge, who, looking at the documents and evidence before him, comes to his own conclusion, and, to use the words of Lord* ***Macnaghten in Payton & Co Ltd. v. Snelling, Lampard & Co. Ld.*** *(17 R.P.C. 635), "must not surrender his own independent judgment to any witness whatever"."*

69. It is never easy to decide as to the way that the trade or the public will react to a particular trade mark. But the essential feature of STD's trade mark is the word DUPONT. It would be the word used orally and the part that would be remembered. In those circumstances I believe that persons hearing that DUPONT clothes were available or seeing STD's trade mark upon clothes would be liable to think that they came from or were associated with or had a connection with the proprietor of the well-known trade mark DU PONT used for fabrics. I suspect they would believe that they were made from a DU PONT fabric. If so, they would be deceived. STD would have passed off their goods as goods made using EIDP's fabric. I therefore conclude that use of STD's trade mark in the United Kingdom would be liable

to be prevented by the law of passing off. That being so, registration should be refused under section 5(4)(a) of the Trade Marks Act 1994.

Conclusion

70. For the reasons that I have given, I would set aside the order of the judge and restore the order of the Registrar, with the result that EIDP's application proceeds to registration and STD's application is refused.

Lord Justice May:

71. I agree that this appeal should be allowed for the reasons given by Aldous LJ. I do not wish to add anything on the substance of the appeal, but will address the related questions (a) whether the provisions for an appeal from the decision of the Registrar to the court in section 18 of the Trade Marks Act 1938 operate to the exclusion of those in rule 52.11 of the Civil Procedure Rules; (b) whether the appeal is by way of review or rehearing; and (c) upon what principles does the appeal court admit fresh evidence. We are told by counsel that these questions have caused much debate and uncertainty.

Part 52 of the Civil Procedure Rules

72. Part 52 of the Civil Procedure Rules came into force on 2nd May 2000. It replaced and modified former rules, some of which I shall refer to later in this judgment. Rule 52.1(4) provides: *"This Part is subject to any rule, enactment or practice direction which sets out special provisions with regard to any particular category of appeal."*

73. Rule 52.11 provides:

"(1) Every appeal will be limited to a review of the decision of the lower court unless –
(a) a practice direction makes different provision for a particular category of appeal; or
(b) the court considers that in the circumstances of an individual appeal it would be in the interests of justice to hold a re-hearing.
(2) Unless it orders otherwise, the appeal court will not receive –
(a) oral evidence; or
(b) evidence which was not before the lower court.
(3) The appeal court will allow an appeal where the decision of the lower court was –
(a) wrong; or
(b) unjust because of a serious procedural or other irregularity in the proceedings in the lower court.
(4) The appeal court may draw any inference of fact which it considers justified on the evidence.
(5) At the hearing of the appeal a party may not rely on a matter not contained in his appeal notice unless the appeal court gives permission."

74. Paragraph 9.1 of the Part 52 practice direction provides: *"The hearing of an appeal will be a re-hearing (as opposed to a review of the decision of the lower court) if the appeal is from the decision of a minister, person or other body and the minister, person or other body –*
(1) did not hold a hearing to come to that decision; or
(2) held a hearing to come to that decision, but the procedure adopted did not provide for the consideration of evidence."

75. Section II of the Part 52 practice direction contains general provisions about statutory appeals. Paragraph 17.2 of the practice direction provides that Part 52 applies to statutory appeals with certain amendments not relevant for present purposes. Paragraph 17.1(1) defines statutory appeals in terms which could include appeals from the Registrar under section 18 of the 1938 Act. Paragraph 17.1(2) provides that this is subject to "any provision about a specific category of appeal in any enactment or Section III of this practice direction." Section III of the practice direction makes special provision for specific appeals including a large number of statutory appeals under various enactments. Paragraph 20.1 provides that the Section is not exhaustive and does not create, amend or remove any right of appeal. Paragraph 20.2 provides that Part 52 applies to all appeals to which the Section applies subject to any special provision set out in the Section. Neither the 1938 Act nor the Trade Marks Act 1994 feature in this Section of the practice direction.

The Trade Marks Acts 1938 and 1994

76. Section 17 of the 1938 Act provides that any person claiming to be the proprietor of a trade mark used or proposed to be used by him who wants to register it must apply in writing to the Registrar. The Registrar may refuse the application or accept it absolutely or subject to amendments, conditions or limitations. Section 18 provides that, when an application for registration of a trade mark has been accepted, the Registrar has to cause the application as accepted to be advertised. Any person may give notice to the Registrar of opposition to the registration. The Registrar has to send a copy of the notice to the applicant, who has to send to the Registrar a counter-statement of the grounds on which he relies for his application, otherwise he is deemed to have abandoned his application. The Registrar has to send a copy of the counter-statement to the persons giving notice of opposition *"… and shall, after hearing the parties, if so required, and considering the evidence, decide whether, and subject to what conditions or limitations, if any, registration is to be permitted."* - (Section 18(5)). Section 18 then provides:

"(6) The decision of the Registrar shall be subject to appeal to the Court.

(7) An appeal under this section shall be made in the prescribed manner, and on the appeal the Court shall, if required, hear the parties and the Registrar, and shall make an order determining whether, and subject to what conditions or limitations if any, registration is to be permitted.

(8) On the hearing of an appeal under this section any party may, either in the manner prescribed or by special leave of the Court, bring forward further material for the consideration of the Court.

(9) On an appeal under this section no further grounds of objection to the registration of a trade mark shall be allowed to be taken by the opponent or the Registrar, other than those so stated as aforesaid by the opponent, except by leave of the Court. …

(10) On an appeal under this section the Court may, after hearing the Registrar, permit the trade mark proposed to be registered to be modified in any manner not substantially affecting the identity thereof … "

77. Section 52 of the Act provides: *"In any appeal from a decision of the Registrar to the Court under this Act, the Court shall have and exercise the same discretionary powers as under this Act are conferred upon the Registrar. "*

78. Under the interpretation section 68(1), "***prescribed***" means, in relation to proceedings before the court, prescribed by rules of court.

79. The Trade Marks Act 1938 was repealed prospectively by the Trade Marks Act 1994. Section 76 of the 1994 Act provides for an appeal from any decision of the Registrar to an appointed person or to the court. There are no Trade Mark Rules which regulate appeals to the court and the provisions as to appeals in section 18 of the 1938 Act do not reappear in the 1994 Act. Accordingly there is nothing in the 1994 Act or the present Trade Mark Rules which qualifies the provisions of rule 52.11 of the Civil Procedure Rules.

The Judge's Decision

80. The judge was asked to rule on the scope of the court's powers on the hearing of an appeal under section 18 of the 1938 Act. There were two issues. The first was whether an appeal under the 1938 Act was limited to a review by virtue of CPR 52.11(1). The second was whether the power of the court to admit further evidence was governed by rule 52.11(2). Counsel for E.I. Du Pont contended that rule 52.11 applied because there was nothing in the 1938 Act to displace its application. Counsel for S.T. Dupont contended that by virtue of rule 52.1(4) the provisions of section 18 of the 1938 Act displaced the application of rule 52.11. The judge did not find the point easy but concluded that the submission on behalf of S.T. Dupont was to be preferred. The questions were to be determined primarily by reference to the wording of the 1938 Act. He considered that section 18(7) strongly suggested that on an appeal the court was to exercise a rehearing function rather than a review function. He noted that section 18(7) had always been interpreted as providing that the court was to have a rehearing function rather than a review function. He did not consider it likely that this would be changed retrospectively by a new rule of court which itself specifically disclaims the intention of changing the effect of pre-existing legislation. This conclusion was reinforced by sections 18(8) and (9) which afford an unvarnished statutory discretion. The court should be slow to conclude that a new regime, which admittedly may have a similar effect in many cases, effectively retrospectively governs the way in which the statutory discretion needs to be exercised. The judge considered that CPR 52.11 had no part to play. The statute provides its own powers which have been interpreted in a number of cases. He further considered that an appeal

under the section was by way of rehearing and not by way of review. As to the court's powers to admit fresh evidence, the judge considered that section 18(8) of the 1938 Act was applicable without the need for any power under any rules of court. Decided cases indicated that these powers were not the same as those under CPR 52.11(2). In many cases, however, the question of whether or not to admit fresh evidence on an appeal under the 1938 Act would be answered by reference to very similar principles and in an identical way to those where CPR 52.11 applies. The provisions of the 1938 Act in relation to new evidence could involve a somewhat more relaxed attitude.

81. As things turned out the judge's decision that the appeal before him was by way of rehearing had no substantial impact on its conduct or outcome. As to admitting fresh evidence, the critical decision was to reverse the Hearing Officer's decision to refuse STD's application to amend. I agree with Aldous LJ that the judge was wrong here for the reasons he has given.

Parties' Submissions

82. Mr Hobbs QC for the appellants essentially submitted that Part 52 had introduced a change of terminology but not of substance, and that an appeal hearing by way of review approximates to the Court of Appeal practice under RSC Order 59 rule 10.

83. Mr Arnold QC for the respondents agrees with Mr Hobbs that a review under rule 52.11(1) involves engaging the merits of the decision of the lower court. He submits that the appropriate standard of review under rule 52.11 in 1994 Act trade mark appeals is that articulated by Robert Walker LJ in paragraphs 17-30 of his judgment in ***Reef Trade Mark*** [2003] RPC 101 at 107. He submits that a rehearing does not mean proceeding as if there had been no first instance decision at all. It is best explained by Brooke LJ in ***Tanfern Limited v. Cameron-MacDonald*** [2000] 1 WLR 1311 at paragraph 31. He submits that an appeal under section 18 of the 1938 Act was and remains a rehearing in this sense.

Review and Rehearing

84. We are told by counsel that there is much confusion as to whether an appeal to the High Court under the 1938 Act or the 1994 Act should proceed as a review or rehearing. The debate clearly originates from the introduction of CPR 52.11, whether or not the rule applies to appeals under the 1938 Act. It is convenient therefore first to consider the position under that rule.

85. In considering the nature of an appeal, certain questions intrinsically arise. Will the appeal court start all over again as if the lower court had never made a decision? Will the appeal court hear the evidence again? What weight is to be given to the decision of the lower court? Will the appeal court admit fresh evidence and, if so, upon what principles? To what extent and upon what principles will the appeal court interfere with the decision of the lower court? These and related questions are not answered simply by labelling the appeal process as a review or a rehearing.

86. The Civil Procedure Rules are a new procedural code. Reference to the former Rules of the Supreme Court and the County Court Rules and to authorities decided under them may be instructive, but will not necessarily be determinative of the meaning and effect of the new Civil Procedure Rules. In this instance, it is, in my view, informative to see in outline what the former position was, not least because it has contributed to some present confusion.

87. Under Order 59 rule 3 of the Rules of the Supreme Court an appeal to the Court of Appeal was by way of rehearing. In addition, the general powers of the court in Order 59 rule 10(2) gave restrictive powers to receive further evidence on questions of fact in these terms: *"… in the case of an appeal from a judgment after trial or hearing of any cause or matter on the merits, no such further evidence (other than evidence as to matters which have occurred after the date of the trial or hearing) shall be admitted except on special grounds."*

The court also had a power to draw inferences of fact.

88. Order 55, which applied generally to statutory appeals to the High Court, provided in rule 3(1) that an appeal to which that order applied should be by way of rehearing. By rule 7(2), the court hearing the appeal had power to receive further evidence on questions of fact, but without the restriction in Order 59 rule 10(2). The court again had power to draw inferences of fact. The general understanding was that Order 55 applied to appeals under section 18 of the 1938 Act. RSC Order 100 rule 3 applied to appeals under the 1938 and 1994 Acts, but nothing in that rule bears on the present discussion. The expression

"rehearing" was also used in RSC Order 104 rule 19(14) in relation to an appeal to the court from a decision of the Comptroller under the Patents Acts.

89. These provisions for a rehearing were not however references to a rehearing "in the fullest sense of the word" as noted by Brooke LJ in paragraph 31 of his judgment in ***Tanfern Limited v. Cameron-MacDonald*** [2000] 1 WLR 1311 at 1317. Brooke LJ was there referring to High Court appeals from a Master or Registrar to a Judge in Chambers under Order 58 rule 1. On those appeals, the judge treated the matter as though it came before him for the first time. The parties were able to bring forward fresh evidence which had not been before the Master unconstrained by restrictions applicable to the Court of Appeal. The judge hearing the appeal was able to exercise any discretion afresh. As Lord Atkin said in ***Evans v. Bartlam*** [1937] A.C. 473 at 478: *"I wish to state my conviction that where there is a discretionary jurisdiction given to the Court or a judge the judge in Chambers is in no way fettered by the previous exercise of the Master's discretion. His own discretion is intended by the rules to determine the parties' rights: and he is entitled to exercise it as though the matter came before him for the first time. He will, of course, give the weight it deserves to the previous decision of the Master: but he is in no way bound by it."*

90. Rehearings on appeal under RSC Orders 55 and 59 were well understood not to extend to rehearings in the fullest sense of the word. The court did not hear the case again from the start. It reviewed the decision under appeal giving it the respect appropriate to the nature of the court or tribunal, the subject matter and, importantly, the nature of those parts of the decision making process which were challenged.

91. The former provisions for appeals in the county court were in Order 37 of the County Court Rules. Order 37 rule 6 provided for appeals from a district judge to a judge in terms which did not stipulate the nature of the hearing. Order 37 rule 1 contained an anomalous power, useful in practice, enabling a judge in any proceedings tried without a jury to order a rehearing where no error of the court at the hearing was alleged.

92. Rule 52 of the Civil Procedure Rules draws together a very wide range of possible appeals. It applies, not only to the Civil Division of the Court of Appeal, but also to appeals to the High Court and county courts. It encompasses, not only appeals where the lower court was itself a court, but also statutory appeals from decisions of tribunals, ministers or other bodies or persons. Within the court system, it applies to an appeal from a district judge to a circuit judge, just as it applies to an appeal from a High Court Judge to the Court of Appeal. Subject to rule 52.1(4) and paragraph 17.1(2) of the practice direction, it applies to a wide variety of statutory appeals where the nature of the decision appealed against and the procedure by which it is reached may differ substantially. It does not apply (other than on an appeal) to judicial review, which is the subject of Part 54.

93. It is accordingly evident that rule 52.11 requires, and in my view contains, a degree of flexibility necessary to enable the court to achieve the overriding objective of dealing with individual cases justly. But as Mance LJ said on a related subject in ***Todd v. Adam*** [2002] EWCA Civ 509, it cannot be a matter of simple discretion how an appellate court approaches the matter.

94. As the terms of rule 52.11(1) make clear, subject to exceptions, every appeal is limited to a review of the decision of the lower court. A review here is not to be equated with judicial review. It is closely akin to, although not conceptually identical with, the scope of an appeal to the Court of Appeal under the former Rules of the Supreme Court. The review will engage the merits of the appeal. It will accord appropriate respect to the decision of the lower court. Appropriate respect will be tempered by the nature of the lower court and its decision making process. There will also be a spectrum of appropriate respect depending on the nature of the decision of the lower court which is challenged. At one end of the spectrum will be decisions of primary fact reached after an evaluation of oral evidence where credibility is in issue and purely discretionary decisions. Further along the spectrum will be multi-factorial decisions often dependent on inferences and an analysis of documentary material. Rule 52.11(4) expressly empowers the court to draw inferences. As Mr Arnold correctly submitted, the varying standard of review is discussed in paragraphs 17-30 of the judgment of Robert Walker LJ in ***Reef Trade Mark.***

95. As to fresh evidence, under rule 52.11(2) on an appeal by way of review the court will not receive evidence which was not before the lower court unless it orders otherwise. There is an obligation on the parties to bring forward all the evidence on which they intend to rely before the lower court, and failure to do this does not normally result in indulgence by the appeal court. The principles on which the appeal court will admit fresh evidence under this provision are now well understood and do not require elaboration here. They may be found, for instance, in the judgment of Hale LJ in ***Hertfordshire Investments Limited v. Bubb*** [2000] 1 WLR 2318 at 2325D-H. Rule 52.11(2) also applies to appeals by way of rehearing under rule 52.11(1)(b), so that decisions on fresh evidence do not depend on whether the appeal is by way of review or rehearing.

96. Submissions to the effect that an appeal hearing should be a rehearing are often motivated by the belief that only thus can sufficient reconsideration be given to elements of the decision of the lower court. In my judgment, this is largely unnecessary given the scope of a hearing by way of review under rule 52.11(1). Further the power to admit fresh evidence in rule 52.11(2) applies equally to a review or rehearing. The scope of an appeal by way of review, such as I have described, in my view means that the scope of a rehearing under rule 52.11(1)(b) will normally approximate to that of a rehearing "in the fullest sense of the word" such as Brooke LJ referred to in paragraph 31 of his judgment in *Tanfern*. On such a rehearing the court will hear the case again. It will if necessary hear evidence again and may well admit fresh evidence. It will reach a fresh decision unconstrained by the decision of the lower court, although it will give to the decision of the lower court the weight that it deserves. The circumstances in which an appeal court hearing an appeal from within the court system will decide to hold such a rehearing will be rare, not least because the appeal court has power under rule 52.10(2)(c) to order a new trial or hearing before the lower court. Circumstances in which the hearing of an appeal will be a rehearing are described in paragraph 9 of the Part 52 practice direction. This refers to some statutory appeals where the decision appealed from is that of a person who did not hold a hearing or where the procedure did not provide for the consideration of evidence. In some such instances, it might be argued that the appeal would in effect be the first hearing by a judicial process, and that a full rehearing was necessary to comply with Article 6 of the European Convention on Human Rights – but see ***Runa Begum v. Tower Hamlets LBC*** [2003] 2 WLR 388. This apart, it will be rare for the court to consider that the interests of justice require a rehearing in the fullest sense of the word. All other appeals to which rule 52.11 applies will be limited to a review capable of extending in an appropriate case to the extent which I have described. Patten J reached essentially this conclusion in an appeal under Section 76 of the Trade Marks Act 1994 in the recent case of ***Dyson Limited v. The Registrar of Trade Marks*** [2003] EWHC 1062(CH).

97. This analysis is, in my view, consonant with the judgment of Clarke LJ in ***Assicurazioni Generali SpA v. Arab Insurance Group*** [2002] EWCA Civ 1642 and the cases to which he refers under the heading "Approach of the Court of Appeal" in paragraphs 6 to 23. There is the possible gloss – which is of terminology, not of substance – that the attribution of the label "***rehearing***" is not, other than exceptionally, necessary to enable the court upon a hearing by way of review to make the evaluative judgments necessary to determine whether the decision under appeal was or was not wrong. If, as Clarke LJ indicates in paragraph 23 of his judgment, it may occasionally be technically necessary to hold a rehearing to enable the court to consider interfering with the exercise of a discretion, rule 52.11(1)(b) gives the court power to do so. But the court will not normally interfere with the exercise of a discretion unless the decision of the lower court was reached on wrong principles or was otherwise plainly wrong. And this can be done on a hearing by way of review.

98. Thus, in so far as "rehearing" in rule 52.11(1)(b) may have something of a range of meaning, at the lesser end of the range it merges with that of "review". At this margin, attributing one label or the other is a semantic exercise which does not answer such questions of substance as arise in any appeal.

Appeals under Section 18 of the Trade Marks Act 1938

99. In my judgment, Section 18 of the 1938 Act is plainly an *"enactment … which sets out special provisions with regard to [a] particular category of appeal"* for the purposes of CPR 52.1(4). The decision of the Registrar which by section 18(6) is subject to appeal to the Court, is a decision to be reached after hearing the

parties, if so required, and considering the evidence. It is not therefore a decision which intrinsically requires a rehearing in the fullest sense of the word. Part 52 is therefore subject to the relevant parts of section 18, but that does not by itself mean that Part 52 is to be wholly ignored. Further, section 18(7) provides that an appeal under the section shall be made "in the prescribed manner"; and section 18(8) provides that any party may bring forward further material for the consideration of the court "either in the manner prescribed or by special leave of the Court". There is thus by virtue of the definition of "prescribed" in Section 68(1) reference back to rules of court, currently the CPR. It was no doubt for equivalent reasons that RSC Order 55 formerly applied uncontroversially to appeals under the 1938 Act – see for example the judgment of Sir Richard Scott V.-C. in ***Club Europe Trade Mark*** [2000] RPC 329 at 337. Although the provision in sub-section (7) that an appeal shall be made in the manner prescribed could be limited to administrative matters such as the filing of an appellant's notice, there is nothing in sub-section (7) which in substance modifies Part 52 apart from the stipulation that the court shall, if required, hear the Registrar. The provision in sub-section (8) that any party may bring forward further material for the consideration of the court "by special leave of the court" is, in my view, indistinguishable in substance from the provision as to fresh evidence in rule 52.11(2) as applied by the authorities. There is thus nothing in section 18 of the 1938 Act which excludes or in substance modifies rule 52.11, nor the provision in paragraph 17.2 of the Part 52 practice direction that Part 52 applies to statutory appeals, of which this is one. Since, for the reasons which I have given, rule 52.11 in providing that, subject to exceptions, every appeal will be limited to a review of the decision of the lower court does not substantially alter that which pertained under RSC Order 55 rule 3, I consider that the judge was wrong in the present case to suppose that the introduction of Part 52 and its application to appeals under section 18 of the 1938 Act would have made a substantial difference retrospectively to the nature and scope of these appeals. I agree with Mr Hobbs that section 52 of the 1938 Act does not enlarge the nature of an appeal. Its purpose is to enable the court to make consequential orders which would otherwise have to be remitted to the Registrar.

100. In ***Hunt-Wesson Inc.'s Trade Mark Application*** [1996] 1 R.P.C. 233, Laddie J on an appeal under section 18 of the 1938 Act considered an application to file further evidence on the appeal. All the evidence sought to be introduced could have been obtained well before the hearing by the Registrar. It was accepted that the application would be extremely difficult to pursue if ***Ladd v. Marshall*** principles applied. Laddie J considered earlier authority relating to trade mark appeals which taken as a whole did not disclose a uniform approach. The court was not concerned with private litigation between two parties. An opposition to the registration of a trade mark might determine whether or not a new statutory monopoly, affecting all traders in the country, was to be created. It was probable that, if the evidence was excluded, and the opponent, as a result, lost, he would be able to return again in separate proceedings to seek rectification of the register. Allowing the evidence in might avoid further proceedings. Further, the hearing before the High Court was a rehearing. He considered that the appropriate course was to look at all the circumstances, including those factors set out in ***Ladd v. Marshall*** and to decide whether on the particular facts the undoubted power of the court to admit fresh evidence should be exercised in favour of doing so. He then set out eight factors which were likely to be relevant. Some of these are akin to those in ***Ladd v. Marshall.*** Others are of particular relevance to the registration of trade marks. Laddie J was thus articulating a somewhat relaxed 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.

101. In ***Club Europe Trade Mark***, there was an application to adduce fresh evidence in a trade mark appeal under the 1938 Act. Sir Richard Scott V.-C. heard the appeal after the introduction of the Civil Procedure Rules, but when RSC Orders 55 and 59 remained in Schedule 1 to the Rules and before Part 52, which replaced them, was in force. He referred to section 18(8) of the 1938 Act. He contrasted the terms of Order 55 rule 7(2) with the more restrictive terms of Order 59 rule 10(2). He referred to and quoted from Laddie J's decision in ***Hunt-Wesson***. He said that, in distinguishing ***Ladd v. Marshall***, Laddie J might have added that the admission of additional evidence in that case was governed by Order 59 rule 10(2), whereas in appeals under the 1938 Act the admission of additional evidence was governed by the much less restrictive language of Order 55 rule 7(2). He considered that Laddie J's check list of matters to be

taken into account was useful. He then said at page 338: *"I agree that the restrictive principles expressed in **Ladd v. Marshall** do not apply where the question is whether on a trade mark appeal to which Order 55 r. 7(2) applies new evidence should be admitted. I agree also that the matters referred to by Laddie J are those that in most cases will be the important ones. I would caution, however, against any attempt to confine the statutory discretion within a straight jacket. The discretion under Order 55 r. 7(2) should, now, be exercised in accordance with the overriding objective and, in particular, the concept of proportionality, set out in Part 1 of the Civil Procedure Rules."*

102. Part 52 of the Civil Procedure Rules has now been introduced, assimilating and modifying RSC Orders 55 and 59. The power to admit fresh evidence is in rule 52.11(2), which applies to all appeals within Part 52 including, for the reasons which I have indicated, trade mark appeals under both the 1938 and the 1994 Acts. The principles should be the same whatever the nature of the appeal, although their application may vary depending on the nature of the appeal. They are those described by Hale LJ in ***Hertfordshire Investments Limited v. Bubb*** to which I have already referred. Her analysis included reference to the judgment of Morritt LJ in ***Banks v. Cox*** (17th July 2000) in which he had concluded that *"the principles [applicable before the introduction of Part 52] remain the same but the Court is freed from the straight-jacket of so-called rules"*. Sir Richard Scott had used the same expression in the ***Club Europe*** case, and this, in my view, indicates a smooth transition for trade mark appeals from RSC Order 55 to Part 52.11(2).

103. Pumfrey J considered the question of admitting fresh evidence in a trade mark appeal under the 1994 Act in ***Wunderkind Trade Mark*** [2002] R.P.C. 45. He concluded that proceedings before the Registrar of Trade Marks were intended closely to resemble proceedings in court and there was nothing in the nature of the tribunal which required appeals from the Registry to be treated in any special way. He considered that the introduction of CPR Part 52 had changed the position so that what was formerly a rehearing is now a review. For reasons which I have indicated, this is in my view a change of terminology, not substance. I agree, however, with Pumfrey J that trade mark appeals should not be treated differently from other appeals. As to admitting fresh evidence, Pumfrey J considered that the introduction of Part 52 had changed the law in a significant manner and that what Laddie J had said in ***Hunt-Wesson*** had been overtaken by the adoption of rule 52.11. Sir Richard Scott's decision in ***Club Europe*** does not appear to have been drawn to Pumfrey J's attention. However that may be, 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."*

104. This passage, in my view, properly recognises that the same principles apply in trade mark appeals as in any other appeal to which Part 52 applies; but that the nature of such appeals may give rise to particular application of those principles appropriate to the subject matter.

Lord Justice Keene: I agree.

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Richard Arnold QC (instructed by Messrs Briffa) for the Respondent