

TRADE MARKS ACT, 1963

DECISION IN HEARING AT THE PATENTS OFFICE

In the matter of the application for registration of trade mark no. 147773 and in the matter at the opposition thereto.

MONTEX HOLDINGS LIMITED

APPLICANT

DIESEL S.p.A.

OPPONENT

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1. Montex Holding Limited, an Irish company of Monaghan, Ireland made application (No. 5042/92) on 18 September, 1992 to register the word (DIESEL) as a trade mark in part A of the register in Class 25.
 2. The application was accepted for registration in Part A of the register, and was advertised under No. 147773 in Journal No. 1723 of 15 December 1993.
 3. Notice of Opposition pursuant to section 26 of the Trade Marks Act, 1963 was filed on 19 September 1994 by DIESEL S.p.A. a società per azioni organised and existing under the laws of Italy, of Molvena, Province of Vicenza, Italy. The applicants filed a counter-statement on 7 October 1994 and evidence was filed in one course under Rules 37, 38 and 39.
 4. The opposition became the subject of a hearing before me, acting for the Controller, on March 23, 1998. The parties were notified on April 22, 1998 that I decided to uphold the opposition and therefore refuse registration of the mark, I decided to make no award as regards costs. I now state the grounds of my decision and the evidence used in arriving thereat.
 5. In their Notice of Opposition, the opponents stated as follows:

- (i) We have for many years carried on business as manufacturers and merchants of a wide range of articles of clothing including footwear and headgear.
- (ii) We are the proprietors of the Trade Marks DIESEL and DIESEL Logo and have applied to register the Trade Marks DIESEL and DIESEL Logo in Class 25 in respect of "clothing, footwear, headgear" (hereinafter referred to as "the goods"). The Applications were filed on 11 January, 1994 under Nos. 94/0159 and 94/0166 respectively.
- (iii) We are using and have been using the Trade Marks DIESEL and DIESEL Logo in relation to the goods in the Republic of Ireland for many years prior to the filing date of Application No. 147773, namely the 18 September, 1992. The Opponents by virtue of their long and extensive use of the Trade Marks DIESEL and DIESEL Logo in Ireland in relation to the goods, have acquired a substantial reputation in the Trade Marks and registration of the Trade Mark, the subject of Application No. 147773, would be contrary to the provisions of Section 19 of the Trade Marks Act, 1963.
- (iv) The Applicants are not the proprietors of the Trade Mark, the subject of Application No. 147773, and therefore the registration would be contrary to the provisions of Section 25 of the Trade Marks Act, 1963.
- (v) The Applicants do not use the Trade Mark DIESEL as a Trade Mark for the purposes of indicating a connection in the course of trade between themselves and the goods and registration of the Trade Mark, the subject of Application No. 147773 would be contrary to the provisions of Section 2 of the Trade Marks Act, 1963.
- (vi) The Trade Mark DIESEL, the subject of Application No. 147773, is not adapted to distinguish or capable of distinguishing the Applicants goods

and registration would therefore contravene the provisions of Section 17 and 18 of the Trade Marks Act, 1963.

- (vii) The registration of the Trade Mark, the subject of Application No. 147773, would prejudice and embarrass the Opponents in the conduct of their business and the application should be refused in the exercise of the Controller's discretion. The Applicants should be directed to pay the Opponents' costs in these proceedings.
6. In their counter statement, the Applicants stated as follows:
- (i) We admit that Diesel S.p.A., who is the Opponent to our application (hereinafter called "the Opponent") is on the records at the Irish Patents Office entered as applicant for registration of Trade Marks identified in the Notice of Opposition dated September 19, 1994 and under Application Nos. 94/0159 and 94/0166.
 - (ii) We have no knowledge of the Opponent's business as referred to in Clause I of the Notice of Opposition.
 - (iii) We have no knowledge of any use of DIESEL as a Trade Mark by the Opponent. We, and our successors in title have been using the DIESEL Trade Mark in Ireland for a long number of years and the undoubted substantial reputation is enjoyed by us and not by the Opponent. The Trade Mark does not offend against the provisions of Section 19 of the Trade Marks Act, 1963.
 - (iv) At the date of our said application, the Trade Mark which we are applying to register was and still is proposed to be used by us and so as to indicate a connection in the course of trade between the said goods and ourselves as proprietor of the said Trade Mark. The Trade Mark has already been used. The Trade Mark application does not offend against the provisions of Sections 2 and 25 of the Trade Marks Act, 1963.

- (v) The Trade mark which we are applying to register is inherently and in fact adapted to distinguish our said goods within the meaning of Section 17 of the Trade Marks Act, 1963. The Controller allowed this application to proceed to advertisement in Part A of the Register.
 - (vi) The Trade Mark which we are applying to register is inherently and in fact capable of distinguishing our said goods within the meaning of Section 18 of the Trade Marks Act, 1963.
 - (vii) We deny that registration of this Trade Mark would prejudice and embarrass the Opponent in the conduct of their business. In any event, such is not a basis for opposition under the Trade Marks Act, 1963.
 - (viii) The Applicant respectfully requests that the opposition be rejected and that an award of costs be made in favour of the Applicant.
7. Evidence submitted by the Opponents under Rule 27 consisted of a statutory declaration by Mr Renzo Rosso, the sole manager of DIESEL S.p.A., he stated that
- (i) My Company's goods including casual wear, jeans and jackets have been sold under the Trade Mark DIESEL in Ireland since at least the year 1982. During the period 1984-1988 my Company's goods bearing the Trade Mark DIESEL were sold in to Ireland through my Company's former U.K. distributors. Since 1988, my Company's goods have been sold into Ireland, principally by my Company's current distributors in the U.K. James Wood Associates Limited (formerly called J.W.A. Limited). However, my company has also sold the goods bearing the Trade Mark DIESEL directly into Ireland.
 - (ii) By virtue of my Company's use of the Trade Mark DIESEL in the Republic of Ireland over a period in excess of twelve years and by virtue

- (iii) The DIESEL Trade Mark was first owned by Monaghan Textiles Limited ("MTL"), of which company I was a Director. The DIESEL Trade Mark was used by both MTL and Banner of Ireland Limited ("Banner"). Both MTL and Banner were wholly owned subsidiaries of Beon Investments Limited ("Beon"). In 1982 Beon was acquired by Mitzi Limited and Banner subsequently changed its name to Mitzi Monaghan Limited.
- (iv) On February 10, 1988, MTL went into receivership. Hugh Cooney of the accountancy firm of Cooney, Carey and Ferris was appointed as receiver and manager of the assets and undertaking of MTL. On behalf of the Applicant, I purchased from the receiver through negotiations with his partner Martin Ferris, the entire assets of MTL - buildings, machinery, stocks, trimmings and all brand rights, which included the DIESEL Trade mark and attached goodwill.
- (v) Although many records from such a long time ago are no longer available, a small number have been found. I attach to this my Statutory Declaration some invoices in respect of purchases made of raw materials, which are clearly marked to be for DIESEL jeans and which predate the date of first use claimed by the Opponent. I further attach to this my Statutory Declaration some invoices in respect of sales of DIESEL jeans which, again, predate the Opponents alleged date of first use.

Also submitted under Rule 38 were declarations from five employees of Montex Holdings Limited who stated that Montex Holdings have been selling jeans under the brand name DIESEL to the general public in Ireland since 1979.

A further declaration was submitted under Rule 38 by Gerry McGirr a clothing retailer and wholesaler, in which he stated that

- (i) I can confirm that I have been purchasing on a continuous basis Jeans

to spillover advertising from the UK and elsewhere, I believe that my Company's Trade Mark DIESEL is well-known in Ireland. Accordingly use of the Trade Mark DIESEL by Montex Holdings Limited in relation to articles of clothing and the like, is likely to lead to confusion amongst the trade and public.

He produced invoices issued by his company to its Irish customers for the years 1982, 1983 and 1994.

Further Rule 27 evidence consisted of a Statutory Declaration by Mr. Richard Farrell the Manager of F.X. Kelly Limited, he stated that

- (i) I know the Trade Mark DIESEL and associate it exclusively with DIESEL S.p.A., of Via de l'Industria 7, Molvena, Italy. My Company has since approximately the year 1987, been selling casual clothing, jeans and jackets of Diesel S.p.A., bearing the Trade Mark DIESEL. Such goods have been purchased up to recently from James Wood Associates Ltd (J.W.A. Limited) of Otley, West Yorkshire, England.

He produced photocopy invoices for the year 1989 and 1995.

8. By way of evidence under Rule 38, the Applicants submitted a statutory declaration by Michael Heery the Managing Director of Montex Holdings Limited, he stated that

- (i) The DIESEL Trade Mark has been used by the Applicant (or its predecessor in title) in respect of the goods for which Application is sought (the "goods") and, in particular, on jeans, since 1979 and is an extremely well known Trade Mark identifying as it does the Goods originating from the Applicant.
- (ii) The Goods sold by the Applicant under the DIESEL Trade mark are sold through out the State.

under the brand name Diesel from Montex Holdings Ltd and Monaghan Textiles Ltd since 1980. These jeans have been sold by me on the Irish market since 1981.

He provided invoices relating to jeans purchased under the DIESEL brand name for the years 1984, 1987 and 1989.

A still further declaration was submitted under Rule 38 by Martin McCormack a clothing retailer and wholesaler, in which he stated that

- (i) I can confirm that I have been purchasing on a continuous basis Jeans under the brand name Diesel from Montex Holdings Ltd and Monaghan Textiles Ltd since 1980. These jeans have been sold by me on the Irish market since 1980.

He provided invoices relating to jeans purchased under the Diesel brand name for the years 1984, 1985, 1986, 1994 and 1995.

Finally by way of evidence under Rule 38, the applicants submitted a statutory declaration by Martin Ferris an insolvency practitioner in which he stated

- (i) In 1988 I was involved in the Receivership of Monaghan Textiles Limited which owned all the assets including Goodwill relating to the mark Diesel.
- (ii) I refer to my letter dated 20th December 1995 which sets out to the best of my knowledge information and belief the circumstances surrounding the sale of all the assets of Monaghan Textiles Limited to Montex Holdings Limited.

His letter read as follows.

Dear Mr. Heery,

I wish to inform you that I have been unsuccessful in locating the files pertaining to Monaghan Textiles Limited.

You will recall that my former partner, Mr. Hugh Cooney, was appointed Receiver and Manager over the assets and undertaking of the company on 10th February, 1988.

You will recall that I negotiated the sale of the assets to you/your company from thereafter.

As far as I can recall, the substantive assets of the company, namely the plant and machinery and land and buildings, were sold to you on foot of a Contract For Sale.

I recall certain other transactions pertaining to the sale of goodwill, stocks, trimmings, patterns, trademarks and the database of the company were sold to you on foot of the Contract For Sale or by invoice.

I regret at this point that I cannot provide you with more detailed information on the matter. You will recall that the transaction took place quite some years ago.

9. By way of evidence under Rule 39, the opponents submitted a statutory declaration by Peter Schofield Lawley the Commercial Manager of DIESEL (London) Limited, he stated that

(i) My company is a subsidiary company of Diesel S.p.A. and acts as agents and distributors for Diesel S.p.A. The distributorship covers the United Kingdom and the Republic of Ireland and my company has acted in this capacity since May 1995.

(ii) I have read the Statutory Declaration of Michael Heery dated 20th February 1996, and other Statutory Declarations which have been filed under Rule 38 in respect of the above identified proceedings. It is clear to me that the assertions made by Mr. Heery in his Declaration in respect of the use by Diesel S.p.A. of the DIESEL Trade Mark in Ireland are incorrect. In fact, Diesel S.p.A. has sold DIESEL branded products through outlets in the Republic of Ireland over many years and Diesel S.p.A. has acquired a substantial reputation in the name DIESEL in respect of clothing in the Republic of Ireland.

(iii) Prior to May 1995, a company called James Wood Associates Limited (formerly called JWA Limited) (hereinafter referred to as "JWA") of 62/64 Worship Street, London EC2A 2AM acted as distributors for Diesel S.p.A. for the United Kingdom and the Republic of Ireland. My company purchased from JWA the list of accounts/customers which had been supplied with DIESEL products of Diesel S.p.A. Prior to joining my company, I was employed for a period of 8 years by JWA in the capacity of Sales Manager. Accordingly, I am familiar with sales which JWA made during my period with that company. (He produced details of purchases which JWA made from Diesel S.p.A. during the period 1989-1995).

(iv) In paragraph 12 of his Statutory Declaration Mr. Heery refers to F.X. Kelly & Co. of Grafton Street, Dublin 2. I say and believe that JWA regularly sold quantities of DIESEL branded clothing to F.X. Kelly & Co., during the period January 1988-1995. JWA also during the same period sold quantities of diesel branded goods to other well known retailers in the Republic of Ireland.

(v) The Trade Mark DIESEL of Diesel S.p.A. is an internationally renowned Trade Mark for casual clothing and accessories (hereinafter referred to as "the goods"). The goods bearing the Trade Mark DIESEL have been extensively sold to retailers throughout the United Kingdom by my company since May 1995 and since January 1988 by JWA when the latter was appointed distributors for the United Kingdom and Republic of Ireland. I am aware that prior to January 1988 the distributorship for the United Kingdom and the Republic of Ireland was handled by another UK company, namely Walker Webster Ltd. I also believe that the goods bearing the Trade Mark were sold directly into the Republic of Ireland by Diesel S.p.A. during the 1980's.

(vi) The goods bearing the Trade Mark DIESEL of Diesel S.p.A. have been

advertised in well-known magazines such as The Face, Arena, ID, For Him and the Sky TV Magazine. I understand that these magazines also circulate in the Republic of Ireland. Diesel S.p.A. have also advertised their range of clothing bearing the Trade Mark DIESEL on MTV, a satellite television channel which I believe is received in many parts of the Republic of Ireland.

Further evidence under Rule 39 was declared by Renzo Rosso the sole manager of Diesel S.p.A. he stated that

- (i) Mr. Heery in his Statutory Declaration claims that he purchased the entire assets of MTL from the receiver of that company and that such assets included the DIESEL Trade Mark and attached goodwill. However, Mr. Heery has been unable to substantiate, by reference to Irish Companies Registration Office Official documents or otherwise, his claim that he purchased the entire assets of Monaghan Textiles Limited from the Receiver of that company and that such assets included the DIESEL Trade Mark and attached goodwill. In this regard I beg to refer to the Statutory Declaration of Martin V. Ferris and in particular to the letter contained therein. Firstly, it is clear that Mr. Ferris is relying on his memory of transactions which allegedly occurred over 8 years ago as he states that he has been "unsuccessful in locating files pertaining to Monaghan Textiles Limited". Mr. Ferris recalls that "the substantive assets of the company, namely the plant and machinery and land and buildings were sold to you on foot of a Contract for Sale". Neither Mr. Ferris, the Receiver, or Mr. Heery has produced any documentation such as a copy of the Contract for Sale or extracts from the companies file pertaining to this sale. Mr. Ferris goes on to state that he recalls "certain other transactions pertaining to the sale of Trade Marks were sold on foot of the Contract for Sale or by invoice". Again the Applicant has not been able to produce any documentary evidence that any such sale of Trade Marks took place.

Lastly, further evidence under Rule 39, was declared by Tony Forte, Joint Managing Director of Makullas Limited and Makullas GPO Limited, he stated that

- (i) In 1975, Gordon Campbell and I set up, and became directors of, a company called The Gap Limited which operated a chain of eight clothing stores for many years in Dublin, Limerick and Cork. The Gap Limited changed its name in 1994 to Makullas GPO Limited. Mr. Campbell and I have remained in business together in the clothing trade in Ireland since 1975 to date and in 1994, we continued our business partnership in the clothing trade through Makullas GPO Limited and another company namely Makullas Limited. We now operate two shops in Dublin, namely "Makullas" of Suffolk Street and "US" of GPO Arcade, and one in Limerick, namely "Makullas" of Patrick Street.
- (ii) The Trade Mark DIESEL has been known to me for many years and certainly since the late 1970's/early 1980's. I associate it exclusively and have always associated it with Diesel S.p.A. of Italy. The DIESEL brand name is an internationally renowned brand with a reputation for quality. Clothing bearing the DIESEL brand name and manufactured by Diesel S.p.A. has always sold at the expensive end of the market. I say and believe that clothing bearing the Trade Mark DIESEL has been sold regularly on the Irish market since at least the early 1980's. In fact, during the period 1983 to 1985, I confirm that The Gap Limited purchased several consignments of clothing articles bearing the Trade Mark DIESEL from the authorised distributor of Diesel S.p.A., namely Walker & Webster Limited, and these consignments of stock bearing the DIESEL Trade Mark were sold during this period through The Gap chain of shops in Cork, Limerick and Dublin.

10. At the hearing the applicants were represented by Mr. A. Aston, S.C. instructed by F.R. Kelly & Co., the opponents were represented by Mr. P. Coughlan, B.L. instructed by Tomkins & Co.

11. Mr. Coughlan stated, at the hearing, that the statutory declarations of five employees of Montex Holdings Limited were not in the appropriate form as required by the Statutory Declarations Act of 1938. "I say there are two common denominators. The first one, they aren't separately signed in the manner indicated in the schedule to the Statutory Declarations Act.

The second common denominator in relation to all of these statutory declarations from employees of Montex is that they give various dates for when their employment with Montex Holdings Limited commenced. We have Roisin McKenna who says she has been employed by Montex Holdings Limited since 1975. We have Anne Maguire who says she was employed since 1979, we have Mena Higgins who says she was employed since 1977, we have Barbara Crudden who says she was employed since 1953 and we have Luke MacAdam who says he was employed since 1970 and the problem with all of those declarations is that Montex Holdings Limited was actually incorporated on the 29th of June, 1984, so all of those declarations are in error, they have to be in error because the company which the declarants say they were employed by since the relevant date, the respective dates didn't exist and I say this is a factor to be borne in mind when looking at those declarations."

He also raised the opposition under S.25 arguing that the applicants were not the proprietors of the Trade Mark Diesel.

"We come to the key issue concerning how Montex itself claimed to be the proprietor of this mark and what Mr. Heery relies upon, he says, "I bought certain things from the receiver of Monaghan Textiles Limited, and we have a big long list which is provided to us by Mr. Heery, goodwill, stocks, patterns, trademarks, land, buildings, none of it backed up, I should say, by a contract of sale or by anything under the hand of the receiver or the receiver's partner in the form of a contemporaneous document. The most that they can produce is what would, in all fairness to Mr. Ferris is a fairly vague letter which says well, these things happened a long time ago, I have no, you know, he seems to remember

that certain things were sold but he most certainly does not produce the sort of evidence that is necessary, I say, sir, in these proceedings, namely a clear indication that amongst the things which belonged to Monaghan Textiles Limited which was transferred to, and it would seem that Mr. Heery claims in his statutory declaration that he bought it, that it was bought to him on, he bought it on behalf of, it was sold to him on behalf of Montex Holdings Limited, there was no clear chain of title which indicates the thing in question which we are all here about today, namely the mark Diesel. All that can be said is that things were sold, that is the most that it would seem. Mr. Ferris is prepared to say, certain things were sold, but he doesn't go all the way and say categorically that he brand name Diesel was transferred and so I say, sir, that that evidence, that chain of title is missing and that is fundamental, so notwithstanding the fact that the Common Law says the persons who own is the persons who first use, in the circumstances of this case, even if it was the case that Monaghan Textiles used, Monaghan Textiles isn't before you today seeking to register the mark, Montex Holdings Limited, that derives its title via Mr. Heery. There is no documentation relating to Mr. Heery, Mr. Heery and Montex Holdings Limited, there is no documentation produced which establishes that Mr. Heery transferred any unregistered mark under the name Diesel onto Montex Holdings Limited. All we have got is him saying, well, I bought it from the receiver along with many other things which isn't documented, I bought all these things on behalf of Montex but no contemporaneous documents from the time establishing that and I say if they come here today claiming that to be proprietor of the mark and claiming the benefit of so-called or supposed first use, the chain of title would have to be much stronger than that, sir, in the circumstances."

Mr. Coughlan further went on to consider the opposition under S.19.

S.19 provides as follows:

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 law, or would be contrary to law or morality, or any scandalous design.

He stated that "the first submission which I would make in relation to that provision concerns the onus of proof because in an application, in a hearing concerning an application for registration, the onus of proof in relation to Section 19 and, in particular, in relation to the question as to whether the mark is likely to cause deception and confusion, that onus of proof lies on the Applicant, not on the Opponent. They have to satisfy you, sir, that they are not going to cause deception or confusion by reason of the use of this mark and I can cite to you, sir, a number of authorities to support that proposition.

For Irish authority I would refer you to the case of Coca Cola company against F. Cade & Sons, it's a decision of the Supreme Court from 1957 Irish Reports at 196, "it is accepted that the onus lies upon the Applicant who seeks to register a trademark to show that it is not calculated to deceive".

He proposed that the test to be posed in this case, having regard to Smith Hayden and Co. Ltd's application (1946 63 RPC 101) as adapted by Lord Upjohn in the Bali Case (1964, RPC 496) was as follows:

"having regard to the user of the name Diesel, 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 among a substantial number of persons". The user there, sir, is the use to which I, the Opponent, have put the name or put the mark Diesel, I have used the mark in this country. The question which has to be asked is, having regard to the fact that I have the mark in this country, that the mark has been advertised in this country and spill-over advertising has taken place quite considerably."

Mr. Coughlan also referred to the following cases in the course of his submission

Bali ([1969] 2 all E.R. 812), C. and P. Modes (1976 I.R. 198), and Al Bassam (1995 17R.P.C. 511).

12. Mr. Aston, for the applicants, stated at the hearing regarding the statutory declarations of the five staff of Montex Holdings Limited

“I don’t think Mr. Coughlan seriously suggests that these numerous declarations which have been prepared on behalf of the staff and customers of the Applicant have not, in fact, been signed. They have clearly been signed and if the signature appears in the wrong place, I would think that is something which can very readily be overlooked and certainly, in my respectful suggestion, it would be quite harsh and wrong to exclude those statutory declarations from evidence.

Now, Mr. Coughlan also makes reference to the fact that many of the employees have sworn declarations which purport to say they have been in employment of their current employer ever since 1975 and that is not strictly possible. It would appear that they did have an honest belief they had been in employment since those dates and, in those circumstances, they should be taken at their face value, subject to the fact the company which they say employed them had not been incorporated at that time, but clearly the substance of their declarations is the fact they have been employed at the factory in Monaghan producing jeans which have been manufactured and have been sold from the factory, both from the factory shop and through the ordinary course of distribution bearing the Diesel mark and their evidence is very clear that that has happened continuously since 1979.”

He then dealt with the opposition under S. 25, the question of proprietorship,

“Now, I accept that it also for you, sir, to determine the question of ownership. The question of ownership should be determined on the basis of first use in this country, provided there is an absence of fraud, and I say there is no evidence of fraud in this case. I say the important point is that you do not have to be the inventor of the mark in order to be the owner of the mark and use of the mark is quite sufficient.

There is evidence at both ends of the spectrum of sales close in time to the application. They are sales by the Applicant and, prior to that, sales by

Monaghan Textiles Limited and My Friend criticises, and I think he is probably correct to criticise, the absence of an exhibit in the form of a contract from the receiver but there is the evidence of the receiver's assistant who says he has a definite recollection of a sale of goodwill and trademarks and, in my submission, that is more than sufficient evidence of a chain of title passing from Monaghan Textiles Limited to the Applicant.

In my submission, we are left with the only evidence of use on behalf of the Opponent being very insignificant sales in 1982 and 1983 and then in 1989 and nothing in between. In my submission, when you compare that evidence of use with the very consistent evidence of substantial use on the part of the Applicant and what I would say is clearly from Messrs. Montex Limited going back to 1980, leaving out from a moment the purchases of buttons by Bannor of Ireland, I admit we can't show a precise chain of title within Bannor of Ireland and I am the present Applicant. What we do say, it's quite clear Bannor of Ireland was operating out of the factory premises that the current Applicant is now operating out of. It seems to be very clear many of the staff now employed by the Applicant, there would have been a de facto chain between the two, perhaps not a legal chain of title, but the evidence is of substantial sales, although not huge sales, we have to say."

Mr. Aston finally dealt with the opposition under S. 19.

"Now, it's accepted, as a matter of law, that the onus is on the Applicant to negative the likelihood of deception and confusion, but, equally, there is an onus on the Opponent to show sufficient evidence of use to give rise to confusion and in this regard I would like to look at the evidence which has been adduced on behalf of the Applicant itself and, in my submission, the evidence is extremely meagre indeed. First of all, we all agree the relevant date for this purpose is the date of application, namely the 18th of September of 1992. Evidence of sales or reputation acquired by an Opponent since then is entirely irrelevant and the other thing, evidence must relate to use or reputation in this country - evidence of sales abroad is irrelevant.

Now, the other point to make is that if there had been sufficient, if there had been substantial use of the part of the Applicant, one would expect the Applicant also to have experienced actual confusion or deception prior to September of 1992 and yet it's clear that there is no evidence, so far as the Applicant is concerned, of any confusion having taken place and, equally, there is no evidence, so far as the Opponents are concerned, and you can, sir, take into account the absence of such evidence notwithstanding the fact the onus is on the Applicant.

The only other thing to stress, sir, is that, as My Friend agrees, it's essential to take a snapshot and look at the situation as of the 17th of September of 1992. It's at that date we must consider whether there had been use by the Applicant and what the extent of the use had been by the Opponents. In my submission, the evidence of the Opponents of use up to that date is entirely weak and insubstantial and it's insufficient, to give rise to a valid objection under Section 19."

Mr. Aston referred to the following cases in the course of his submission Bubble-Up (1990 I.R. 204), Al Bassam (1995 17R.P.C. 511), Australian Case Yanx (82 C.L.R. 199), Australian Case Aston V Harlee (103 C.L.R. 391), Gaines Animal Foods Limited (1958 12 R.P.C. 312), and Rawhide (1962 5 R.P.C. 133).

13. That concludes the review of the evidence and I now state the grounds for my decision.
14. This hearing is notable for its lack of concrete evidence and exactitude.

The opposition have produced relatively few invoices of actual sales of DIESEL branded goods in Ireland prior to the 18th of September, 1992.

The applicants have failed to show a precise legal chain of title from Beon Investments, Banner of Ireland Limited, Monaghan Textiles Limited, Mitzi Limited and Mitzi Monaghan Limited, to Montex Holding Limited, the applicants.

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

The applicants have failed to provide a legal contract from the receiver of Monaghan Textiles Limited stating that the mark DIESEL was sold to Montex Holdings Limited, the applicants and both parties have produced statutory declarations that are not in exact conformity with either the Statutory Declarations Act, 1938 or Rule 99 of the Trademarks Rules 1963.

15. Turning firstly to the question of the Statutory Declarations of the five employees of Montex Holdings Limited submitted under Rule 38, it is true to say that these declarations are not signed in the manner stipulated in the Act, however I consider this to be a fairly minor technical error and feel it would be quite harsh of me to exclude them.

As regards the point that these declarations state that the five employees employment with Montex Holdings Limited commenced at a date before Montex Holdings Limited was incorporated, I still feel that they should be taken at their face value and I feel that they were made in good faith by employees at a factory in Monaghan producing jeans since 1979 and any change in name during that period would have been of little consequence to the employees in question.

16. Turning now to the opposition under Section 25.

Both parties agreed that the standard test for an objection under Section 25

concerning ownership of unregistered marks was set down in the Al Bassam case (1995 17 R.P.C. 511).

“Accordingly it is necessary to start with the common law principles applicable to questions of the ownership of unregistered marks. These are not in doubt and may be shortly stated. First the owner of a mark which had been used in conjunction with goods was he who first used it”.

Now the earliest invoice filed by the applicants is one of 8/2/1980 for DIESEL Jeans sold by Monaghan Textiles Limited to Europa Clothing Wholesale Ltd., the earliest invoice produced by the opponents relates to 1982.

So we now have to determine if Montex Holdings Limited, the applicants, is connected in any way to Monaghan Textiles Limited.

Mr. Ferris, an insolvency practitioner, states that he was involved in the receivership of Monaghan Textiles Limited which he stated owned all the assets including goodwill relating to the mark “DIESEL”. He further stated, in a letter to Mr. Heery of Montex Holdings Limited that he recalled certain other transactions pertaining to the sale of Monaghan Textiles Limited to Montex Holdings Limited including “The sale of Trademarks”.

I feel I should accept this as sufficient evidence of a chain of title passing from Monaghan Textiles Limited to the applicant.

It is clear from the evidence filed in these proceedings that both the opponents and the applicants have used the mark (DIESEL) for a considerable period of time in connection with the sale of jeans, which of them was the first user cannot be conclusively determined from the evidence, I believe, but the probability is that Monaghan Textiles Limited used it first in Ireland and the probability is that the mark was sold from Monaghan Textiles Limited to the applicant Montex Holdings Limited for these reasons the opposition must fail in so far as it is based on Section 25.

17. Turning lastly to the opposition under Section 19.

To determine the objection under Section 19, the standard test for such an objection is that set down in *Smith Hayden and Co. Ltd's application* (1946, 63 R.P.C. 101) as adapted by Lord Upjohn in the *Bali case* (1964, R.P.C. 496). In the present case this would be applied as follows:-

“Having regard to the reputation acquired by the opponents name (DIESEL) is the Hearing Officer satisfied that the mark (DIESEL) applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not reasonably likely to cause deception and confusion amongst a substantial number of persons”.

Now it would appear as far as the likelihood of deception and confusion is concerned there is no doubt that it would exist amongst a substantial number of persons as there is an identical mark being used for essentially the same goods in the same class. So the only question to be asked is has the opponent shown a reputation acquired by the name (DIESEL) in the State before the 18th of September, 1992 the date of application by the applicants to have the word (DIESEL) registered.

As regards evidence of sales by the opponents prior to September 1992, Mr. Rosso, under Rule 37, produced three invoices relating to DIESEL goods sold into Ireland prior to September 1992. Mr. Farrell, also under Rule 37, stated that his company had since approximately the year 1987, been selling jeans of DIESEL S.p.A. bearing the Trade Mark Diesel in Ireland, he produced three invoices dated prior to September 1992, Mr. Schofield Lawley, under Rule 39, stated that DIESEL branded clothing was sold to F.X. Kelly & Co., of Grafton Street, Dublin 2 during the period 1988-1995. He also stated that during the same period quantities of DIESEL branded goods were sold to other well known retailers in the Republic of Ireland, and Mr. Forte, also under Rule 39, stated that he believed that clothing bearing the Trade mark Diesel had been sold regularly on the Irish market since at least the early 1980's, he also stated that

during the period 1983 to 1985 he could confirm that the Gap Limited purchased several consignments of clothing articles bearing the mark DIESEL from the authorised distributor of DIESEL S.p.A., and these consignments of stock bearing the DIESEL mark were sold during this period through the Gap chain of shops in Cork, Limerick and Dublin.

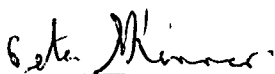
As regards spill-over advertising it was claimed that the opponents goods were advertised in magazines such as the Face, Arena, ID, For Him and the Sky TV magazine as well as on MTV a satellite television channel.

Now the assertion that the opponents had a reputation for the name (DIESEL) in the State prior to September 1992 cannot be conclusively determined from the evidence, I believe, but the probability is that goods manufactured by DIESEL S.p.A. were sold into Ireland prior to September 1992, and the probability is that the opponents goods were sold in Ireland prior to September 1992, under the name (DIESEL) and that these sales were of sufficient quantity to acquire a reputation.

The possible effect of spill-over advertising has been ignored in reaching this decision. For the above reasons the opposition under Section 19 is upheld.

18. It follows from the foregoing that the opposition is upheld because the mark proposed for registration fails to meet the requirements of Section 19. Other issues raised in the Notice of Opposition were not pressed by Counsel at the hearing and I do not think it is necessary for me to decide them. The application is refused in exercise of the discretion conferred on the Controller by the Act.

Dated this 21 day of July, 1998.



Peter Skinner