



Neutral Citation Number: [2024] EWHC 257 (Ch)

Case No: IL-2021-000046

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)

Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL

Date: 8/2/2024

Before:

MASTER CLARK

Between:

(1) **THOM BROWNE INC**
(a company incorporated under the laws of the State of
Delaware, USA)
(2) **THOM BROWNE UK LIMITED**
- and -

Claimants

(1) **ADIDAS AG**
(a company incorporated under the laws of
Germany)
(2) **ADIDAS INTERNATIONAL MARKETING B.V.**
(a company incorporated under the laws of the
Netherlands)
(3) **ADIDAS (UK) LIMITED**
(4) **ADIDAS INTERNATIONAL TRADING AG**
(a company incorporated under the laws of
Switzerland)

Defendants

Part 20
Claimants

Philip Roberts KC and Edward Cronan (instructed by **Mishcon de Reya LLP**) for the
Claimants
Charlotte May KC and Maxwell Keay (instructed by **Hogan Lovells International LLP**)
for the **Defendants and the Part 20 Claimants**

Hearing date: 16 January 2024

Approved Judgment

Remote hand-down: This judgment was handed down remotely at 10am on 8 February 2024 by circulation to the parties or their representatives by email and by release to The National Archives.

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Master Clark:

1. The parties in this claim seek, by their joint application dated 9 November 2023, the court’s directions as to the framework within which the trial of the counterclaim for trade mark infringement and passing off is to be conducted by reference to identified specimen items.

Parties and the claim

2. The first claimant is the parent company of the Thom Browne group of companies, which together are responsible for the global fashion business created by the designer Thom Browne. The second claimant is responsible for the sale of high-end designer clothing and accessories under the Thom Browne brand in the UK. I refer to the claimants together as **Thom Browne**.
3. Thom Browne clothing and accessories often feature a four bar design (the **TB Sign**), which is commonly applied to the upper left leg of suit trousers, or to the upper left arm of jackets or tops in a horizontal position, and a grosgrain ribbon (the **Grosgrain Ribbon**). No allegations of infringement are directed at the Grosgrain Ribbon.
4. The defendants and Part 20 claimants (**Adidas**) are part of the adidas group, which sells sports clothing, footwear, and related goods internationally, in particular under the adidas brand. Adidas clothing and accessories often feature motifs bearing three stripes (the **3 stripe Mark**).
5. The claim, which was commenced in July 2021, seeks revocation and/or invalidation of 19 registered trade marks owned by Adidas (3 of which were surrendered by Adidas following the issue of the claim).
6. Adidas counterclaims for trade mark infringement and passing off in respect of Thom Browne’s dealings in items bearing the TB Sign. 32 examples of items of which complaint is made are provided at Annex 15 to the Defence and Counterclaim, but these are expressly said to be non-exhaustive. Adidas have exhibited (exhibit EAMS20) to their solicitor’s witness statement in the application the results of searching Thom Browne’s website for “4 bar”. These total 1002 items, all of which bear the TB sign (with 3 exceptions) are maintained as infringing. As matters stand, therefore, it remains open

to Adidas to allege that each of these items infringes each and every of its 16 trade marks in issue in the claim.

7. Before the CCMC, Thom Browne proposed that the trial of the counterclaim should be conducted by reference to specimen items (**trial by specimen**), stating in their letter dated 4 July 2022:

“It is our position that this will keep the proceedings proportionate, manageable and focussed for all parties, without applying pressure on your clients to further particularise their case than they have already done in the statements of case to date. Our provisional proposal is that the Trial By Specimen framework be based on the items specified in Annex 15 to the Defence and Counterclaim. It is our position that this strikes a fair balance between your clients putting forward their case without undue limitations, and our clients understanding the case they have to meet.”

8. The letter enclosed a draft directions order, which included:

“[AND UPON the agreement between the Parties to establish a framework in which liability in the Counterclaim may be determined at Trial by reference to specimen items "the Trial by Specimen Framework"]

1. The Trial by Specimen Framework may be amended by agreement between the Parties in writing from time to time or by further Order of the Court.
2. At Trial, liability in respect of the Defendants' Counterclaim for trade mark infringement will be determined exclusively by the items specified at Annex 15 to the Defence and Counterclaim.”

9. Adidas' response was that they were in principle amenable to Thom Browne's suggestion that their counterclaim be determined by reference to identified examples, but were not willing to limit their case “at this early stage” to the infringements identified in Annex 15. They reiterated that the examples in Annex 15 were non-exhaustive; and that they were not aware of the full extent of Thom Browne's infringements pending disclosure/evidence. Thom Browne was willing to postpone the selection of specimens until after disclosure. They made the provisional suggestion that from a pool comprising the Annex 15 items and any further items specified by Adidas, each side select 10 items.

10. Ultimately, the parties reached agreement recorded in paragraphs 14-18 of the CCMC order dated 5 December 2022 as follows:

“Trial by specimen

14. Trial of the counterclaim shall be determined by specimen items.
15. By 4pm on 26 May 2023 the Defendants shall propose a framework for the counterclaim for trade mark infringement and passing off to be determined by reference to specimen items or specimen classes of items, including the

time frame for selecting and agreeing such items or classes of items (the "Framework").

3. By 4pm on 9 June 2023, the Claimants shall provide their comments and any further proposals in relation to the Framework.
4. In any event, by 4pm on 16 June 2023, the parties shall endeavour to agree the Framework, having regard to the principles of proportionality and the trial length in this matter.
5. The parties have permission to apply to the Court if they cannot agree.”

[The deadline in paragraph 14 was extended to 12 September 2023 by a consent order of Deputy Master Rhys.]

11. The parties have been unable to reach agreement as to the Framework.
12. Adidas’ proposal (contained in their solicitor’s letter dated 13 October 2023), and in respect of which they seek an order (with the dates appropriately adjusted), is:

- “1. Allegedly infringing products shall be categorised into [no more than [X]] classes of goods (“Categories”) by agreement between the parties, as follows. The Defendants shall propose a list of the Categories by [17 October 2023] and the Claimants shall provide their response and any comments/counterproposals by [31 October 2023]. If the Categories cannot be agreed by [14 November 2023], the parties may apply to the Court for directions.
2. The Claimants and the Defendants may select up to three products per Category (“Examples”) which means there will be a maximum of six Examples per Category. The Defendants and the Claimants shall notify the other parties of their selected Examples by [28 November 2023], after which date the Examples may only be added to or removed from a Category by order of the Court or by the consent of both parties. The Examples will be selected from the Claimants’ products which are or have previously been available for purchase in the United Kingdom. Any dispute as to whether a product falls within a particular Category shall be resolved between the parties or by order of the Court.
3. The judge will assess the Claimants’ liability under the Counterclaim by reference to each of these Examples
4. Whilst the Counterclaim will be determined by reference to these Examples, it is not limited to those Examples.
5. Following the judge’s assessment of the Counterclaim in relation to each of these Examples (the “Liability Order”), the parties will work together to agree which executions of the TB Sign (as defined in the Defendants’ Amended Defence and Counterclaim dated 10 February 2023) and/or which

of the Claimants' products (past and present) are covered by any Liability Order.

6. If, and to the extent that, the parties cannot agree within a reasonable timeframe following the Liability Order which products and/or executions are covered by the Liability Order, the parties should return to the court for an assessment on those particular products/executions.
 7. Any damages liability will be assessed following completion of steps 5 and 6 above.”
13. Thom Browne's proposal (set out in their solicitors' letter dated 25 September 2023) is identical (or substantially identical) to paragraphs 1 and 2, and the last paragraph of Adidas' proposal. The different paragraphs are:
- “3. The parties will seek the determination of the Court as to the Claimants' liability under the Counterclaim exclusively by reference to each of these Examples.
 4. If a particular Example is determined by the Court not to infringe, so too will the entire Category to which the Example relates be determined not to infringe.
 5. If each of the Examples within a Category is determined by the Court to infringe, so too will the entire Category to which the Example relates be determined to infringe.”
14. A curious feature of this application is that the court is not being asked to determine the categories to be used, both side's proposals providing for this to be agreed.
15. Adidas (in their solicitors' letter dated 13 September 2023) put forward 13 categories of items: trousers, shorts, skirts, dresses, long sleeved tops, short sleeved tops, sleeveless garments, coats/jackets, socks, shoes, bags, hats and miscellaneous. With 6 items in each category, a total of 78 items would be dealt with at trial.
16. Thom Browne (in their solicitors' letter dated 9 October 2023) responded that they were in principle content with these categories; but only on the basis of the framework put forward by them. Adidas' counsel submitted that their categories had been agreed, but it is clear from this correspondence that Thom Browne have never unconditionally agreed to the categories put forward by Adidas.

Legal principles

17. It was common ground that:
 - (1) liability in intellectual property infringement claims is commonly determined by reference to samples or specimens;

- (2) the court has the power, following the trial on liability, to determine allegations of infringement which were not determined at that trial.
18. In *Unilin Beheer BV v Berry Floor NV* [2007] EWCA Civ 364; [2007] FSR 25 at [49], Jacob LJ set out one set of circumstances in which the latter occurs in patent cases:

“Now it is true that in an inquiry as to damages or account of profits the patentee is allowed to claim relief for types of alleged infringement not ruled on by the trial court. This saves the formal issuance of fresh proceedings in respect of these and is permitted as a matter of convenience, see *General Tire and Rubber Co v Firestone Tyre and Rubber Co Ltd* [1975] R.P.C. 203, at 207. And of course if, in the inquiry or account, the patentee alleges a type of infringement not considered by the trial court, the court conducting the inquiry or account will have to rule on whether it falls within the scope of the patent.”

19. The reference to “fresh proceedings” indicates that the infringements in question may be ones not within the scope of the original claim. This may be for several reasons. There may be infringements within the scope of the claim of which the claimant was unaware when it issued the claim – learning of them later, either through disclosure or its own investigations. Alternatively, there may be infringements within the scope of the claim that have occurred after its issue. Finally, the infringements may be outside the scope of the original claim (as in *General Tire*), although this was described as “an exceptional case” by Norris J in *Fabio Perini SpA v LPC Group Plc* [2012] EWHC 911 (Ch); [2012] R.P.C. 30, who noted that the reason why this course was taken in *General Tire* does not appear from the report.
20. In *AP Racing v Alcon Components* [2016] EWHC 815 (Ch); [2016] FSR 28, Henry Carr J cited the passage in *Unilin Beheer* set out at paragraph 18 above, and said:

“[23] [counsel for the patentee] emphasises that this is a well-established practice in patent litigation in the High Court which saves time and costs. He points out that a liability trial almost invariably involves a challenge to validity. If the challenge to validity is successful and the patent is invalidated, then time and money spent on infringement allegations is wasted. Accordingly, he submits that whilst some infringements must be brought forward in order to establish a right to relief, others may be left for subsequent consideration, which is indeed what happened in the *General Tire* case.”

[24] I would add that it is in accordance with the modern approach to intellectual property cases in general that the rights-holder should not be required to produce evidence of every possible infringement in the liability hearing but merely to bring forward sufficient examples so that the case of infringement can be dealt with in a cost-effective and expeditious way. To require the claimant to specify all infringements and to introduce them into the liability trial would be wasteful, time consuming and a recipe for delay.”

21. *Warner Music UK Ltd v TuneIn Inc* [2019] EWHC 3374 (Ch); [2019] RPC 29 was a copyright infringement claim in which the defendant's website and app allowed music to be played from 70-100,000 internet radio stations all over the world. The trial was conducted by reference to samples sound recordings and sample radio stations. The order for this provided:

“9. The trial of the claim in relation to the issues of liability will proceed by way of determination of the Issues by reference to a sample as follows:

(1) By no later than 4.00pm on 18 June 2018, the claimants and the defendant will each nominate 5 radio stations which they allege fall into the following categories (together the “Sample Stations”):

(i) 5 music radio stations which are or have been indexed on the defendant's platform and are licensed in the UK; and

(ii) 5 music radio stations which are or have been indexed on the defendant's platform and are not licensed in the UK or elsewhere;

(iii) 5 music radio stations which are or have been indexed on the defendant's platform and are licensed for a territory other than the UK;

(iv) 5 Premium music radio stations which are or have been indexed on the defendant's platform.

(2) [terms as to sample sound recordings]

(3) The trial of the issues in relation to radio stations, and the directions set out in the remainder of this Order, will be limited to the Sample Stations and the Sample Recordings.

(4) Until further order, the determination of any issues in relation to the Sample Stations shall apply only in respect of those Sample Stations. Following the determination of those issues, the parties shall have permission to apply for further directions as to (i) the scope and effect of the Court's findings and (ii) the determination of all and any issues as to the extent to which acts of infringement of copyright in the Claimants' Works (and/or in any particular Claimants' Work) have taken place.

(5) The parties have permission to apply for such further or other directions as may be appropriate (including as to the sampling of stations or recordings) to enable the issues of liability to be determined.”

22. The claimant succeeded on liability in categories (ii), (iii) and (iv), but not (i). In dealing with the scope and effect, Birss J said at [11],

“In terms of the inquiry as to damages, it is a commonplace in intellectual property disputes that liability is decided by reference to particular instances of the activity alleged to infringe (i.e. samples) but that the scope of the damages inquiry is

general. Now if, on the inquiry, instances emerge which raise issues which the main trial has not determined, then there are various ways forward. Experience shows that these problems are usually readily resolved by case management in the inquiry. It is not the law that detailed issues of liability not decided at the liability trial cannot be decided in the inquiry; the test is one of justice and convenience (see Norris J. in *Fabio Perini SpA v LPC Group Plc* [2012] EWHC 911 (Ch); [2012] R.P.C. 30, at [44]-[51]). If it is really necessary, then a distinct second liability trial could be conducted. In the present case I can see no justification at all for limiting the inquiry to the sample stations.”

23. *Original Beauty Technology v G4K Fashion Ltd* [2021] EWHC 294 (Ch); [2021] FSR 20 provides an illustration of trial by sample in a case concerning clothing. The claimant alleged infringement of design right by 91 garments. Each side selected 10 garments to be dealt with at trial, with the claims in relation to the remaining 71 garments stayed (see [7]). Having determined the claims in relation to the 20 garments selected by the parties, Mr David Stone (sitting as a Deputy Judge of the High Court) said as follows at [513]:

“...It is my fervent hope that there are sufficient findings in this judgment to enable the parties to agree how the claims in relation to those 71 garments should be concluded. As became apparent during the course of the trial, the 20 garments in issue before me fell into three “buckets”: (1) where referencing was admitted, and the Claimants’ garment was uploaded to Trello at the beginning of the production process; (2) where referencing was admitted, but the Claimants’ garment was not uploaded to Trello until part way into the design process; and (3) where no referencing was admitted. I add to that garment D35, where copying was admitted. Whilst there were some minor variations within those buckets leading to slightly different outcomes (usually to do with colourways), I have found that, on the whole, the garments in bucket (1) infringe, but that those in buckets (2) and (3) do not. It seems to me that that ought to provide good guidance for dealing with the remaining 71 designs without the need for further intervention by the Court. Whilst not deciding the point, it seems to me at this stage that a further trial on liability in relation to those designs would likely be disproportionate. If those 71 garments cannot be resolved between the parties, the matter should be listed before me for directions.”

24. In a subsequent judgment in the same proceedings, the Deputy Judge gave further guidance to help the parties reach agreement on the remaining 71 garments (see [2021] EWHC 953 (Ch), [6]). In a further judgment he explained that an additional trial was listed to address the disputes concerning the remaining 71 garments, but this ultimately was not necessary because the disputes were resolved between the parties (see [2021] EWHC 2555 (Ch), [3]- [5]).
25. However, in *Weiss Technik UK Ltd v Davies* [2022] EWHC 2773 (Ch), a different approach was taken in a claim for breach of confidence and copyright infringement, in which there were 40,000 documents in issue. An order was made providing for the parties to agree categories of alleged copyright documents and documents containing

alleged confidential information, with one sample document for each category to be selected by each of the claimants and any defendant alleged to have infringed the claimants' rights in respect of that category of documents.

26. The order specified that if any document within a sample category was determined to fail on liability, that entire category of documents would fail on liability. If, however, each of the documents within a sample was determined to succeed on liability, the result would be that the entire category of documents was deemed to succeed on liability.
27. At trial, there were initially 44 categories of documents, which the parties confined the samples to 5 categories of documents, chosen by reference to legally relevant characteristics – namely the type of information in them e.g. passwords, the claimant's internal technical materials.

Analysis and conclusions

28. The decision in this application is a case management decision, governed by the overriding objective of dealing with the case justly and at proportionate cost.
29. In this case, as noted above, Adidas have identified nearly 1000 items as being within the scope of their claim. In addition, the parties' disclosure is time limited, but not by reference to the limitation period. There are likely therefore to be additional products which have been historically sold by Thom Browne in respect of which disclosure has not been given, but are also within the scope of Adidas' claim. Clearly, a trial of liability in respect of every item within the scope of the claim would be disproportionate.
30. Thom Browne's concern with Adidas' proposal is that determining liability for items outside the categories proposed by Adidas will be a drawn out and expensive process, in which Adidas, which is the financially stronger party, will be at an unfair advantage. Thom Browne particularly rely upon the fact that the allegations in the counterclaim are wide-ranging and not particularised: as noted, on the face of the counterclaim, it remains open to Adidas to allege that every item bearing the TB Sign infringes every trade mark owned by it, as well as giving rise to a passing off claim.
31. Adidas' counsel submitted that the Judge's reasoning following trial on liability of the items in the categories would readily enable the parties to agree how the Judges' findings applied to the other items, referring to and relying upon the passage from *Warner Music* set out at paragraph 22 above.

32. However, Thom Browne's counsel illustrated the difficulties this could give rise to with the following example. Adidas have admitted (in response to a Notice to Admit) that the following jacket and cardigan do not infringe:



33. If instead of an admission, that had been a finding at trial, the Judge would explain their reasoning at an appropriate level of detail, perhaps referring to the particular colouring of the stripes in each case, and to whichever (presently unparticularised) trade marks Adidas asserted against the two items.
34. The parties would then be required to negotiate the effect of those findings as against the additional 1000+ products in issue, and agree the outcome. The parties would need to consider products such as the following, all said by Adidas to be within the scope of their claim:





35. In doing so, the following questions would arise:
- (1) Do findings in respect of a cardigan have relevance to a shirt or a scarf or gloves?
 - (2) Do findings in respect of a jacket have relevance to a Jacquard shirt or a pair of chino shorts?
 - (3) Do findings regarding the positioning of the stripes on the garment affect the outcome, and how? – positioning is particularly relied upon by Adidas in its passing off claim.
 - (4) Where stripes have an internal pattern, is the relevance of that fact affected by the level of contrast between the dominant fabric and the fabric used for the stripe?
 - (5) Does the presence of additional Grosgrain Ribbon detailing affect the answer?
 - (6) How are such findings to be combined in circumstances where Adidas has not pleaded as part of its claim whether any of these factors are relevant, or how?
36. These difficulties arise, in my judgment, from the fact that Adidas' categories do not correspond to the types of goods for which their marks are registered, nor to any other relevant features of the infringement claim or the passing off claim (which is unparticularised other than relying upon positioning of the TB mark).
37. Adidas' counsel submitted that to require the categories to correspond to legally relevant characteristics of the items would be to bind the parties and the judge prematurely and inappropriately. The question as to whether a product is infringing is assessed in the round by reference to the evidence in respect of a number of factors, and it would, she submitted, be unfair to Adidas to require it to identify categories by reference to factors before the judge's determination of liability. I do not accept the submission that requiring Adidas to formulate its categories by reference to legally relevant characteristics would be unfair. The fact that Adidas does not yet have the judge's reasoning on liability does not prevent them from formulating their reasoning as to why a particular product is

infringing, and if it is, which other products are infringing for the same or related reasons. It would not be unfair, in my judgment, to require them to do so in order to identify appropriate categories of specimens, so that the judge's findings on liability can readily be extrapolated.

38. If Adidas' proposed framework were directed with their currently proposed categories, then there is, in my judgment, a clear risk that after judgment on liability the parties would not be able meaningfully to negotiate in respect of the outstanding items; and, if they could not reach agreement, the court would not be able to give effective case management directions. The consequent risks are of protracted and costly negotiations, and if unsuccessful, the proceedings being disproportionately extended by the need to determine liability in respect of those items (either at the inquiry or at a separate further trial of liability). This would be contrary to the overriding objective.
39. Thom Browne also relied upon Adidas' reluctance to respond to their Notice to Admit dated 24 October 2023, to which Adidas did not respond until 22 December 2023; and then did so without providing any explanation or reasons which could be extrapolated to formulate categories of products, or as to Adidas' position in relation to other products within the scope of the claim. This, as their counsel submitted, bodes ill for the parties dealing with the balance of the claim by negotiation.
40. In these circumstances, I am not satisfied that the categories advanced by Adidas (and not agreed by Thom Browne), when combined with the remainder of their framework would result in a cost effective and proportionate resolution of this claim.
41. As against this is the unfairness to Adidas of Thom Browne's proposal, arising from one non-infringing product resulting in the entire category being non-infringing. That proposal would also result in the paradoxical position that items in fact found to be infringing by the Judge would be treated as non-infringing, as would similar items in the same category. As *Weiss* shows, these are not conclusive objections, but are to be weighed in the balance. Where, as here, there are significantly fewer than the 40,000 allegedly infringing items in *Weiss*, then if the categories are formulated by reference to legally relevant criteria, the balance is likely to tip in favour of liability not being determined by reference only to the specimen items.
42. In my judgment, the appropriate way to manage the risks identified by each side would be for the categories of products to reflect Adidas' case as to why they are infringing or pass off, by reference to relevant characteristics – so that findings in relation to those categories can readily be extrapolated to other items. In the course of the hearing, I ventilated with the parties whether Adidas should be directed, in respect of each of the

items in exhibit EAMS20, to provide a brief summary of the basis on which the item is said to infringe and/or pass off; and then for the parties to work thereafter to try and agree a sensible set of categories that reflects Adidas' position. Thom Browne were willing in principle for me to adopt this course; Adidas were not, and sought an opportunity to consider it and take instructions. I do not therefore propose to make that direction, but to provide them with that opportunity, and if possible, reach agreement with Thom Browne as to the way forward.

43. If the parties cannot agree a way forward, then it is open to them to seek the court's further directions. I am not therefore willing to make any order on the application, other than that in paragraphs 1 and 2 of the proposed framework, which, as noted, is common to both sides.