



Neutral Citation Number: [2007] EWCA Civ 583

Case No: A3/2007/0873

IN THE SUPREME COURT OF JUDICATURE
COURT OF APPEAL (CIVIL DIVISION)
ON APPEAL FROM THE HIGH COURT OF JUSTICE
CHANCERY DIVISION (PATENTS COURT)
The Hon Mr Justice Pumfrey
HC 07 C00710

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 20/06/2007

Before :

THE RT HON LORD JUSTICE PILL
THE RT HON LORD JUSTICE LONGMORE
and
THE RT HON LORD JUSTICE JACOB

Between :

Boehringer Ingelheim Limited & Ors
- and -
Vetplus Limited

Appellant

Respondent

Dr Justin Turner and Miles Copeland (instructed by **Messrs Clarkslegal LLP**)
for the Appellant
Desmond Browne QC and Jonathan Barnes (instructed by **Messrs DWF**) for the Respondent

Hearing dates : 16/17 May 2007

Approved Judgment

Lord Justice Jacob:

1. This is an appeal with permission granted by me from a decision of Pumfrey J of 26th April 2007, [2007] EWHC 972 (Ch).

The basic facts

2. The claimants (collectively “Boehringer”) sought, and were refused, an interim injunction to restrain certain publicity proposed to be put forward by the defendant, VetPlus. Both sides make and sell nutritional supplements for dogs. Boehringer’s product is called Seraquin, VetPlus’ product, Synoquin. They are supposed to have a beneficial effect on dogs’ joints.

3. The Judge described the commercial position thus:

[6] Competition between VetPlus and Boehringer is intense. VetPlus appears to have been earlier in this market and is the market leader. Other products (Cosequin, Glycoflex, Flexadin) are also in the market, the first of these also sold by a pharmaceutical company (Schering Plough).

4. The tablets concerned contain, or are claimed to contain, amongst their active ingredients, a sulphate of a polysaccharide called chondroitin. The other active ingredients are glucosamine and curcumin. The tablet as a whole also contains excipient. Chondroitin is much the most expensive ingredient. The Judge summarised the chemical nature of chondroitin:

[4] Chondroitin is a naturally-occurring material which is extracted from cartilaginous material and purified. Broadly speaking its monomers are disaccharides which differ in their sulphation; and the weight of molecules considered to be properly called chondroitin sulphate range from about 5,000 Daltons, or thereabouts, to 40,000 Daltons, or more.

[5] A natural sample from a particular source would consist of a mixture of molecules of different weights (and therefore lengths) and the mixture will differ depending upon the source. I understand that different sources will yield material not merely with different molecular weight distributions but also with different degrees of sulphonation.

The significance of its chemical nature is that chondroitin is not a homogeneous material. So a test which detects one form of it may not detect another.

5. In 2006 VetPlus decided to test rivals’ products to see whether they had a chondroitin content consistent with that claimed on their label. The Judge described what happened:

[7] ... I have seen results, I believe, for all the principal products in the market. In doing these tests or causing them to be carried out, Mr. Haythornthwaite [VetPlus’ MD] says that VetPlus used the single assay set out in the United States

Pharmacopeia called the "CPC assay". Mr. Haythornthwaite took the view that on several occasions Seraquin failed to comply with its contents claimed on the label, which specified 380 mg chondroitin sulphate per tablet. He made no complaint until tablets from two batches, numbers 326768 and 406774, were tested by VetPlus using the CPC test, no chondroitin was detected in the tablets at all. This assay has subsequently been repeated using the CPC technique on a number of occasions on tablets from these batches. I see no reason to doubt that on each such occasion the same result was obtained, or substantially the same result.

6. Following these results VetPlus entered into correspondence with Boehringer. The Judge sets out the salient details at [8-20]. Neither side comes out of it well. Boehringer also wrote to the veterinary press threatening action if the VetPlus allegations were published, a matter now forming part of a counterclaim (Part 20 claim). I do not think that much of the detail matters for present purposes.
7. One matter initially the subject of complaint is no longer relevant. VetPlus published (Boehringer say selectively and unfairly) matter sent to it purely for the purposes of attempting to resolve the dispute under an express indication that it was sent for that purpose. The complaint about that (the Judge having refused to enjoin further publication on the grounds that none was threatened) was resolved before us on the basis that VetPlus undertook to give an agreed notice period if they did intend to republish the matter concerned.
8. What is left is that VetPlus threatens and intends to publish what is in effect a comparative advertisement. The Judge describes it and I borrow with gratitude:

[21] On 1st March, a copy of a proposed advertisement together with a document entitled "Are all chondroprotective joint supplements created equal?", intended to be made available to those accepting the invitation in the advertisement to apply, was supplied to Boehringer's solicitors. This document is called "The report". It is pleaded by Boehringer that the advertisement which refers directly to no manufacturer and no product would nevertheless be understood by the interested public to relate to Seraquin because that product is the only one sold in a box in the United Kingdom. Seraquin's box is of a similar colour to that in the advertisement and it is the only product in the United Kingdom to be sold with a claimed content of 380 mg per tablet.

[22] As a basis for identifying Seraquin as the subject matter of the advertisement, this seems to me to be thin; but I cannot at this stage say that it is unarguable. The real sting comes in the report. I shall read two passages from the report because I think that these are the only passages to which attention really needs to be drawn. The first is a section headed "Label Claims and Purity - Essential for Maximum Benefit" and it is as follows:

"Nutritional supplements are currently not required to conform to pharmaceutical standards of production and therefore purity of raw ingredients and label claim content can vary amongst manufacturers. A simple rule when selecting a joint supplement is to read the labels carefully, look for stated purity, high ingredient levels and a product that has been independently verified to meet stated purity and label claims.

"The level of the components within some joint supplements can vary greatly due to the differing grades of ingredients that are available. Cheaper ingredients of low purity will obviously lead to a cheaper product on the shelf, but not the desired maximum benefit that would be obtained from a product of proven high levels and purity. Chondroitin sulphate is an expensive raw material, with high purity pharmaceutical grade raw material costing approximately five times the amount of glucosamine hydrochloride. As a result, there are a number of poorer quality and low purity chondroitin products on the market, many of which do not achieve label claims.

"Studies to evaluate the components in oral joint supplement products when compared to label claims have found that 40% of Glucosamine products did not meet their label claim (17% containing less than 30% of the claim), and 60% did not meet label claim for Chondroitin. This means that many products will provide sub-therapeutic doses of the required component making it difficult for veterinary surgeons and owners to assess efficacy and to objectively select a proper supplement."

[23] Three published documents are referred to in the conventional manner by way of footnote.

"These studies highlight the importance of selecting a supplement with proven purity and label claim."

[24] Then there is a lengthy discussion of the importance of glycosaminoglycans, of which chondroitin is one, in the formation of cartilage in joints.

[25] What is called the "Back Page" of the report contains a table. The table is divided into eight horizontal rows. It reports, or purports to report, variations in consistency of chondroitin sulphate analysis content in leading joint UK supplements in February 2007. It states that the analysis was carried out to the United States Pharmacopeia methods, that certain of the results contain the average of more than one test on the same batch, and they set out two for VetPlus, which are said to have achieved about 110% to 115% of label claim by this test, and then two of Boehringer's, one of which is said to

have contained 85% of label and the second of which is alleged to have achieved 8.69% of label.

[26] Then two products of Schering Plough are set out, both of which contain more than 100% apparently of label claim, and two from Vetoquinol, who make material called Flexadin, equally slightly in excess of 100%.

[27] These results, as far as Seraquin is concerned are a mixture of results obtained by Bioiberica on batch number 768 and VetPlus's own results as well. VetPlus's own results taken between 20th December 2006 in relation to the lower content batch had, with one exception only, been nil. The exception was an 11% reading obtained three times. Their results on batch 773 had been uniformly nil. The whole position from VetPlus's point of view is summarised in exhibit DH10 to Mr. Haythornthwaite's witness statement, which sets out in summary all the tests that had been performed by early February this year.

9. Mr Justin Turner for Boehringer submits that no reasonable man could honestly publish this document – that it cannot be justified objectively. In particular he contended that the overall effect of the evidence to date was that no reasonable man would rely on tests conducted on final tablets and that the only reliable evidence was that in relation to the raw materials used to make the two batches of Seraquin concerned.
10. In support of these contentions Mr Turner took us to details of the various experiments conducted to date and the evidence about them. There were four kinds of assay in evidence. The most important are those conducted according to the “CPC” method. That method is currently the United States Pharmacopeia standard method for a chondroitin assay. Boehringer submit that it is unreliable and known to be so. There is conflicting evidence about this. I do not propose to go into it in detail – it cannot be resolved now.
11. But what I regard as particularly significant is this: that Boehringer’s own suppliers used the CPC method – and only the CPC method – to assay the chondroitin raw material said to have been used in the batches concerned. So Boehringer itself made the label claim by relying on a CPC test.
12. Mr Turner submits that is satisfactory because the test results on raw material will not be affected by the presence of the other ingredients. However that is very doubtful for several reasons:
 - i) The CPC test had worked to show that, within a reasonable margin of error, all the products tested by VetPlus were within the label claims of the various manufacturers. So in all cases (including earlier tests on Seraquin) save for the batches concerned, the formulation and tableting had not interfered with the reliability of the CPC method.

- ii) The evidence of the independent experts Miss Hildreth and Dr Roman suggested that if an error were introduced by the CPC method it would be overstating the amount of chondroitin.
 - iii) The suggestion that a particular ingredient, curcumin, could give rise to a false CPC reading is far from proved: the presence of curcumin did not interfere with the results for the earlier batches of Seraquin.
13. So VetPlus threaten and intend to publish a comparative advertisement in which they claim that Boehringer's Seraquin does not contain anywhere near as much chondroitin as is claimed on its label. What the final position on the evidence will be is uncertain, but at present it is not unreasonable to hold the view that the label claim is not met.
14. Boehringer accept that they cannot obtain an interim injunction to restrain the alleged malicious falsehood and libel. This is because of the rule against prior restraint established in *Bonnard v Perryman* [1891] 2 Ch 269. That rule extends to malicious falsehood, see *Bestobell v Bigg* [1975] FSR 421 and remains the rule following the enactment of Human Rights Act 1998, see *Greene v Associated Newspapers* [2004] EWCA Civ 1462, [2005] QB 972.
15. The rule is summarised in the headnote to *Bestobell*::

“In the interests of freedom of speech, the courts will not restrain the publication of a defamatory statement, whether a trade libel or a personal one, where the defendant says he is going to justify it at the trial of the action, except where the statement is obviously untruthful and libellous.”
16. The concession that the rule applies in this case carries with it this: that VetPlus' proposed statements may ultimately be proved to be true. They are not “obviously untruthful” on present information. The Judge went rather further on this point, saying of justification “I am not satisfied that Boehringer are more likely than not to succeed.” In other words, Boehringer do not have a better than evens chance of proving that their label claims are true. For the reasons I have briefly given there was ample material on which the judge could so hold. I reject Mr Turner's submission that no reasonable or honest man could publish the “Are all chondroprotective joint supplements created equal?” document.
17. I should of course record that when the matter comes to trial Boehringer will seek to prove both malicious falsehood and libel if the document or other material to the same effect is published. They say the proposed statements, if made, will be false and made maliciously, that is knowing them to be false or at least recklessly without any care as to their truth or falsity. They say damage will be caused and that they will be able to rely upon s.3(1) of the Defamation Act 1952 so as to obviate the need for proof of special damage. As far as libel is concerned, they say it is a very serious matter to allege that a company of Boehringer's stature is prepared to put out what is a quasi-pharmaceutical for dogs bearing a false or unsupportable claim as to its contents. The sting of the proposed advertisement is just that.

18. Being unable, because of *Bonnard*, to obtain a prior restraining order to prevent the alleged libel or malicious falsehood as such, Boehringer turn to the law of registered trade marks. The words Seraquin and Boehringer are each registered as UK and EU trade marks for inter alia dog food supplements. Boehringer seek an interim injunction to restrain the use of either of these words “in association with any statement (whether orally or in writing) indicating that the Claimants’ product Seraquin contains less chondroitin sulphate than the amount stated on the packaging”. It is said that any such publication will amount to an infringement of registered trade mark.
19. As drafted the proposed injunction is clearly too wide because it is not limited to “use in the course of trade”, a key requirement of all forms of infringement under Art. 5.1 and 5.2 of the Trade Marks Directive (EC 89/104, enacted as s.10 of the Trade Marks Act 1994) and Art 9 of the Community Trade Mark Regulation (40/94). I will assume that such a limitation is incorporated.
20. Boehringer submit that the rule in *Bonnard v Perryman* does not apply to trade mark infringement. Instead the court should apply the normal rule in *American Cyanamid v Ethicon* [1975] AC 396. The Judge indicated that if that was the rule, he would have granted an injunction because the “damaging nature” of the proposed publication meant it ought to be held up until its truthfulness could be demonstrated. That, Mr Turner submits, is what should happen here.
21. In riposte, VetPlus submit:
 - i) that the rule *Bonnard v Perryman* extends to alleged trade mark infringement;
 - ii) Alternatively the court should apply the flexible approach called for by s.12(3) of the Human Rights Act 1998 as expounded by the House of Lords in *Cream Holdings v Banerjee* [2005] 1 AC 253;
 - iii) The normal *Cyanamid* rule does not apply.

The Basis of Trade Mark Infringement

22. Before coming to consider who is right, I should explain more about the basis of the claim in trade mark infringement. The parties agree that as a matter of trade mark law, the proposed publication (which is clearly in the course of trade) arguably prima facie infringes the registered trade marks. This is so despite the fact that the use of the trade marks is solely in relation to Boehringer’s genuine products. This follows from the recent decision of this court in *O2 Holdings Limited v Hutchison 3G* [2006] EWCA Civ 1656, another case about comparative advertising. The court referred the following question to the ECJ (it is not quite the one proposed in the judgment):

1. Where a trader, in an advertisement for his own goods or services uses a registered trade mark owned by a competitor for the purpose of comparing the characteristics (and in particular the price) of goods or services marketed by him with the characteristics (and in particular the price) of the goods or services marketed by the competitor under that mark in such a way that it does not cause confusion or otherwise jeopardise the

essential function of the trade mark as an indication of origin, does his use fall within either (a) or (b) of Art 5 of Directive 89/104?

23. Here in effect VetPlus are proposing to advertise by comparing their Synoquin with Boehringer's Seraquin, the comparison being that Synoquin has a true label claim about chondroitin content whereas Seraquin does not. Whether the comparison is true or false, the indication of origin is not jeopardised. So if the ECJ answers the question "yes", there will be a prima facie case of infringement.
24. That will bring into play the question of whether there is a defence. That depends on whether VetPlus' conduct is use "in accordance with honest practices in industrial or commercial matters" (Art. 6.1 Directive, Art. 12 Regulation). VetPlus say that provided their actions are "honest" they have a defence.
25. Mr Desmond Browne QC for VetPlus goes so far as to submit that even if later evidence shows that what was said was wrong, provided it was reasonably and honestly believed at the time it was said, there is a defence.
26. So, he submits, since VetPlus on present evidence do have a reasonable and honest belief that what it intends to say is true, that is an end of the matter. No claim for trade mark infringement will lie (and in particular no damages or other financial relief can be obtained) even if in the end it turns out the statement was untrue and was very damaging to the reputation attached to the registered trade marks.
27. I do not accept this. I think a man who makes a damaging statement involving use of another's mark which he reasonably believes to be true at the time but which later turns out to be untrue would not be acting in accordance with an honest practice if he were not prepared to compensate the owner of the damaged mark. He can express his honestly held opinion, but unless that is on the basis that he will compensate his trade rival if it is proved to be wrong, he is not acting in accordance with an honest practice and will be adjudged to infringe.
28. I expressed similar views in *Reed Executive v Reed Business Information* [2004] EWCA Civ 159, [2004] RPC 767 at [131-135] in relation to the defence of the "own name" defence. The other members of the court agreed. Nothing said here causes me to change my opinion.
29. Indeed the Comparative Advertising Directive (97/55/EC) rather confirms the position. It is not in dispute that a comparative advertiser will be acting in accordance with "honest practices" provided he does so in accordance with the conditions of Art 3a of the Misleading Advertising Directive (84/450/EC). One of those conditions is that the advertising must not be misleading. If an advertisement is in fact misleading, however honestly the advertiser believed what he said at the time, he would be outside the Directive.
30. Oddly, if Mr Browne were right, that would be a good reason for making a prior restraint order. For unless that were granted the trade mark owner would have no remedy even though the statements were ultimately proved false.

31. Finally in relation to trade mark infringement I should mention s.10(6) of the Act. It was agreed that it made no difference and has no separate effect. It would be better if it were simply repealed.
32. Turning back to this case, the upshot is that Boehringer have an arguable case in trade mark infringement, as is indeed agreed. Moreover if they win at trial they will be entitled to financial relief not only for libel and perhaps malicious falsehood (though here there may well be problems in proving malice) but also for trade mark infringement. If the material is published and is not justified objectively VetPlus will have to pay damages, whatever its present state of belief.

Prior restraint and trade mark infringement

33. It is against that background that I finally come to the real point of this appeal. First does the rule in *Bonnard v Perryman* apply to trade mark infringement? Mr Desmond Browne QC for VetPlus submitted that the gravamen of the complaint was in defamation: that even though the claim was for trade mark infringement, really what was being complained of was a defamatory statement. Accordingly the same principles as to favouring free speech which are the basis of the rule applied equally to comparative advertising.
34. He reinforced this submission by reference to the pre-action correspondence. The first complaints were made only in defamation, trade mark infringement being alleged only comparatively late in the day. That, he said, reflected the reality that the substance of the claim was defamation.
35. He took us to *Microdata v Rivendale* [1991] FSR 681 and *Service Corporation v Channel Four* [1999] EMLR 83 for the proposition, set out clearly by Lightman J in the latter case at pp.89-90:

The rule prohibiting the grant of an injunction where the claim is in defamation does not extend to claims based on other causes of action despite the fact that a claim in defamation might also have been brought, but if the claim based on some other cause of action is in reality a claim brought to protect the plaintiffs' reputation and the reliance on the other cause of action is merely a device to circumvent the rule, the overriding need to protect freedom of speech requires that the same rule be applied.

36. I accept that proposition. But I do not accept that a trade mark infringement action, even one in respect of comparative advertising, is merely a claim to protect the claimant's reputation. It is a claim to protect a property right.
37. Actually two property rights are involved, that conferred by the registration ("The registered trade mark shall confer on the proprietor exclusive rights therein", Art. 5.1 of the Directive) and that in the goodwill attached to the trade mark. The common law has long recognised that that goodwill is a species of property, and one that is protected by the law of passing off. Millett LJ summarised it neatly in *Harrods v Harrodian School* [1996] RPC 697:

Passing off is a wrongful invasion of property vested in the plaintiff; but the property which is protected by an action for passing off is not the plaintiff's proprietary right in the name or get up which the defendant has misappropriated but the goodwill and reputation of his business which is likely to be harmed by the defendant's misrepresentation.

38. No one has ever suggested, or reasonably could suggest, that the rule in *Bonnard* could operate to prevent the grant of an interim injunction to restrain an ordinary passing off. It is no good the defendant saying "The representation which I make is true and I intend to justify it at trial." The Court normally considers who is actually likely to win and grants or refuses an interim injunction on that basis. For if the plaintiff is likely to win, damage will be irreparable, if not, not.
39. There are a few cases of a more exotic kind of alleged passing off where the right to free speech has been considered. None of them involve a direct application of the rule in *Bonnard v Perryman*. It is sufficient to refer to the most recent of these cases, *Consorzio del Prosciutto di Parma v Marks and Spencer* [1990] FSR 530 and to note that Morritt J (as he then was) decided that the right of free speech was not an absolute bar to a prior restraining order but was to be taken into account in the general balance of convenience test under *American Cyanamid*.
40. It is noteworthy in passing that in *Bestobell*, all concerned, Oliver J and the two distinguished counsel, Messrs Aldous and Rimer, never considered that a "free speech" defence lay in respect of the claim in trade mark infringement. On the contrary Oliver J went to a lot of trouble to consider in detail whether the claim was maintainable at all, concluding that it was not because the defendant was not using the trade mark in the course of trade.
41. Moreover although there is an important issue of free speech involved in comparative advertising other more complex factors are involved too. Most particularly the defendant has a commercial interest in diverting trade which would have gone to the trade mark owner to himself. It is not a question of "pure" free speech.
42. It should be remembered that the *Bonnard* rule is very easy to invoke. You do not need to put in detailed evidence to demonstrate a case of justification. In *Bonnard* itself all the defendant said was:

The whole of the allegations ... complained of by the plaintiffs are true in substance and in fact, and I shall be able to prove the same at the trial of this action by subpoenaing witnesses and by cross-examination of the plaintiffs and by other evidence which I cannot, and which I submit I ought not to have to, produce on an interlocutory application.

Mr Browne told us that in practice the court would accept the assurance of responsible counsel that there was material upon which a plea of justification could properly be advanced. Whether that is really appropriate in a procedural "cards on the table" era is not necessary to consider.

43. I do not consider that such a simple and simply invoked rule is appropriate for trade mark infringement, even in a case of comparative advertising. More by way of defence is called for in a serious commercial dispute such as this. Unless the defendant puts in credible material going to justification, if he otherwise infringes and there is likely to be damage to goodwill, an injunction should be granted. The defendant must show the basis of his plea justification. How far he must go I consider below.
44. Accordingly I do not consider that the rule in *Bonnard* applies as such to a trade mark infringement claim. The Judge thought that it did. To that extent I disagree. On the other hand he clearly thought that there was an alternative basis for departing from the normal “are damages an adequate remedy/balance of convenience” test as laid down in *American Cyanamid*. This was based on s.12(3) of the Human Rights Act. That appears most clearly from what he said in post-judgment discussion:

[To Mr Turner] “I resolved the s.12(3) issue against you.”

45. So I turn to consider the impact of s.12(3). It has been considered by the House of Lords in *Cream v Banerjee*. The context is set out by Lord Nicholls giving the only reasoned opinion:

[1] My Lords, the Human Rights Act 1998 introduced into the law of this country the concept of Convention rights. Section 12 made special provision regarding one of these rights: the right to freedom of expression. When considering whether to grant relief which, if granted, might affect the exercise of the Convention right to freedom of expression the court must have particular regard to the importance of this right: section 12(4). Additionally, section 12(2) set out a prerequisite to the grant of relief against a person who is neither present nor represented. The court must be satisfied the applicant has taken all practicable steps to notify the respondent or that there are compelling reasons why the respondent should not be notified. Further, section 12(3) imposed a threshold test which has to be satisfied before a court may grant interlocutory injunctive relief:

"No such relief [which might affect the exercise of the Convention right to freedom of expression] is to be granted so as to restrain publication before trial unless the court is satisfied that the applicant is likely to establish that publication should not be allowed."

46. Lord Nicholls rejected the proposition that “likely” meant “more likely than not” in all situations (see [16-20]). At [20] he said:

Some flexibility is essential. The intention of Parliament must be taken to be that "likely" should have an extended meaning which sets as a normal prerequisite to the grant of an injunction before trial a likelihood of success at the trial higher than the

commonplace *American Cyanamid* standard of "real prospect" but permits the court to dispense with this higher standard where particular circumstances make this necessary.

47. And at [22] he set out his construction:

Section 12(3) makes the likelihood of success at the trial an essential element in the court's consideration of whether to make an interim order. But in order to achieve the necessary flexibility the degree of likelihood of success at the trial needed to satisfy section 12(3) must depend on the circumstances. There can be no single, rigid standard governing all applications for interim restraint orders. Rather, on its proper construction the effect of section 12(3) is that the court is not to make an interim restraint order unless satisfied the applicant's prospects of success at the trial are sufficiently favourable to justify such an order being made in the particular circumstances of the case. As to what degree of likelihood makes the prospects of success "sufficiently favourable", the general approach should be that courts will be exceedingly slow to make interim restraint orders where the applicant has not satisfied the court he will probably ("more likely than not") succeed at the trial. In general, that should be the threshold an applicant must cross before the court embarks on exercising its discretion, duly taking into account the relevant jurisprudence on article 10 and any countervailing Convention rights. But there will be cases where it is necessary for a court to depart from this general approach and a lesser degree of likelihood will suffice as a prerequisite.

48. The general "threshold" which must be crossed by the claimant is that he will probably succeed at the trial. I do not see why that should not be the general rule for trade mark infringement in a comparative advertising case. Indeed there is every reason why it should. A man who finds his trade mark disparaged by a rival trader in a comparative advertisement can obtain a prior restraining order only if he can show that it is more likely than not that the disparagement is wrong and misleading. Unless he can do that, then his rival, both for his own commercial interests and in the interests of the public, ought to be free to say that which he honestly believes.

49. Traders will have nothing to fear if they have sure foundations for claims they make about their products. Such traders will be able to obtain prior restraint orders because they will be able to cross the threshold. Traders who make claims for their products which they cannot readily and firmly justify will have to live with the risk that their rivals can honestly and reasonably call those claims into question pending a final resolution as to whether the claims are in fact good.

50. Now it was suggested that the general rule should not apply. Lord Nicholls went on in [22] to say:

But there will be cases where it is necessary for a court to depart from this general approach and a lesser degree of

likelihood will suffice as a prerequisite. Circumstances where this may be so include those mentioned above: where the potential adverse consequences of disclosure are particularly grave, or where a short-lived injunction is needed to enable the court to hear and give proper consideration to an application for interim relief pending the trial or any relevant appeal.

51. It was submitted that this was a case where the potential adverse consequences of disclosure would be “particularly grave” as contemplated by Lord Nicholls. I do not think so. Earlier in his speech he contemplated cases where although a claim in confidence would be weak, disclosure would be very very damaging (for instance as to the whereabouts of an individual who was accused or convicted of a crime and who might suffer reprisals if those whereabouts were known). Damage to a reputation is not of that sort – indeed if damage to reputation were in itself to be considered a “particularly grave” case, then nearly all cases would fall into that class and s.12(3) would be rendered virtually pointless.
52. Accordingly I think the general rule applies here. The conclusion must be that no interim injunction should be granted. Boehringer have not shown that they are more likely to succeed than not. Pumfrey J was of that opinion and I see no basis for saying he was wrong.
53. In the result I would dismiss this appeal.

Lord Justice Longmore:

54. This interlocutory appeal raises the question whether a judge who is asked by the proprietor of a trade mark for an interim injunction to restrain a competitor from comparative advertising should approach the application as if it were (1) a defamation or malicious falsehood claim (no injunction should be granted if the defendant intends to justify) or (2) a case which engages the right of freedom of expression (no injunction should be granted unless the court is satisfied that the applicant is “likely” to be granted a final injunction at trial – section 12(3) of the Human Rights Act 1998) or (3) an ordinary common law claim (injunction to be granted if there is a serious issue to be tried and the judge thinks that the balance of convenience so requires – American Cyanamid [1975] AC 396).
55. There can be little doubt that the right of freedom of expression is engaged even though the dispute is, strictly speaking, a commercial dispute. Comparative advertising within the scope of the European Directive is a permissible activity and such advertising necessarily entails the expression to others of matters of either fact or opinion or both. It is, therefore, inappropriate to adopt the American Cyanamid approach.
56. But neither is it appropriate to apply the special defamation/malicious falsehood rule to a trade mark claim. That rule that no injunction will be given if there is an intention to justify has developed in the law of defamation (and been extended to malicious falsehood) for historical reasons apposite to those causes of action. No such reasons apply to trade mark infringement actions which seek to protect a particular form of intellectual property which is, to my mind, different in kind from a right to one’s reputation or that of one’s goods.

57. It follows that I agree with Jacob LJ that it is the Human Rights Act approach which is applicable. On the evidence in the case it is impossible to conclude that a final injunction is likely to be granted at trial. Such injunction would only be granted if the comparative advertising of the defendants were not “in accordance with honest practices in industrial or commercial matters” see Article 6.1 of the Trade Marks Directive. That is something which it would be rare to determine at an interlocutory stage and certainly in this case could only be determined after a trial with expert witnesses of opinion if not of fact also. I therefore consider that Pumfrey J was right to refuse relief.

Lord Justice Pill:

58. I also agree with Jacob LJ that it is the Human Rights Act approach which is applicable. The evidence before the judge has, with the help of counsel, been thoroughly analysed in this court. I agree with the test propounded by Jacob LJ at paragraph 48 and 49 of his judgment. Applying that test to the evidence, and having regard also to the judge’s analysis of the evidence, I agree with Jacob LJ’s conclusion at paragraph 52.