Neutral Citation Number: [2024] EWHC 3231 (Ch)

Case No: IL-2023-000197

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

The Rolls Building
7 Rolls Building
Fetter Lane, London
EC4A 1NL

Date: 21 November 2024

Before:

MR JUSTICE MILES

- -

Between:

(1) DKH RETAIL LIMITED **(2) C-RETAIL LIMITED** **(3) SUPERGROUP INTERNET LIMITED** **(4) SUPERDRY PLC**	**Claimants**
- and -	
CITY FOOTBALL GROUP LIMITED	**Defendant**

- -
- -

MR PHILIP ROBERTS KC (instructed by **Fox Williams LLP**) for the **Claimants**

MR MICHAEL SILVERLEAF KC (instructed by **Gateley Legal**) for the **Defendant**

- -

Approved Judgment

Digital Transcription by Marten Walsh Cherer Ltd.,
2nd Floor, Quality House, 6-9 Quality Court, Chancery Lane, London WC2A 1HP.
Telephone No: 020 7067 2900. DX 410 LDE
Email: info@martenwalshcherer.com
Web: www.martenwalshcherer.com

MR JUSTICE MILES :

1. This is a pre-trial review in a Shorter Trials Scheme case. It is a trade mark dispute between the owners of the well-known Superdry brand, which is registered in relation to various kinds of clothing, and the defendant, which runs Manchester City Football Club's commercial operations.

2. The core issue in the case is whether promotional branding appearing on professional sports players' kit is likely to be seen by the public as branding denoting the Superdry brand or as branding denoting the defendant's sponsor, Asahi Super "Dry" 0.0% lager. The words appearing on the relevant kit included "Super" and "Dry".

3. The first issue concerns disclosure. The claimants apply for inspection of a document which appears in a list annexed to a witness statement of Mr Jeremy Way dated 15 October 2024. Mr Way is the vice-president of the partnership strategy and creative team at the defendant. He says in the list:

> "The following documents have been referred to in addition to the documents specifically referred to and exhibited hereto."

The relevant document is "Contract between City Football Group and Asahi." The document has not been disclosed by the defendant in the proceedings.

4. In the body of the statement, Mr Way explains at paragraph 7, under the heading "Manchester City's sponsorships – induction and planning", that:

> "Once the contract between [the defendant] and the sponsor has been signed, the next stage would be induction and planning."

Under the heading "Activation of the sponsorship between Manchester City and Asahi", Mr Way states at paragraph 13:

> "I am familiar with the sponsorship between Manchester City and Asahi. It sat within my roster of Europe and Africa partners when I was head of partnership marketing for Europe and Africa."

5. Mr Way then explains the ways in which the sponsorship between the defendant and Asahi has progressed. This covers the uses of Asahi branding through various media and as applied to varying items, including physical parts of Manchester City's stadium and ultimately on the kit about which the claimants complain in these proceedings.

6. There are some general references to the sponsorship relationship between Asahi and Manchester City in two other statements which have been submitted by witnesses from Asahi. However, if the claim for inspection of the document fails by reference to Mr Way's statement, it will do no better by reference to the others, so I shall not consider them further.

7. By CPR 31.14 a party may inspect a document mentioned in (among other documents) a witness statement. It is common ground that the court may nonetheless refuse inspection of a document even where it is mentioned in a witness statement.

8. The notes in the White Book at paragraph 31.14(2) refer to *Rubin v Expandable Ltd* [2008] EWCA Civ 59 and *National Crime Agency v Abacha* [2016] EWCA Civ 760. The notes state that reliance on the document is not a requisite but may be relevant to any issue of waiver (ie of privilege). The witness statement, or other relevant document, must specifically identify or make direct allusion to the document or class of documents in question. It is insufficient that the witness statement refers to a transaction which on the balance of probabilities will have been effected by the document for which inspection is sought. The document itself needs to be mentioned or directly alluded to.

9. I was taken to a passage from *Matthews & Malek on Disclosure* (6th edn) at paragraph 9-05:

> "Once it is shown or admitted that a document is mentioned in a … witness statement … the onus is on the party against whom the application is made to produce it unless he can show good cause why he should not. As commented in one case, if a party thinks it worthwhile to mention a document in his pleadings, witness statements or affidavits, the court should not put difficulties in the way of inspection, subject to questions of privilege."

Paragraph 9-06 states:

> "Where a document has been mentioned, inspection can be resisted not only on grounds of privilege, but also on the more general grounds in CPR 31.3 such as that the document is not within a party's control or that it would be disproportionate to the issues in the case to permit or order inspection."

10. In Business and Property Court cases the court will be guided by what is reasonable and proportionate. This is assessed by reference to the overriding objective and various factors including the nature and complexity of the issues, the importance of the case, the likelihood of the probative value of the documents, the number of documents, the ease and expense of searching, the financial positions of the parties, the need for expedition, fairness and proportionate cost. The court retains a discretion to refuse inspection. It was common ground between the parties that these factors are relevant to the exercise I have to perform.

11. I was also referred to paragraph 3.2 of Practice Direction 57AC which concerns the production of trial witness statements in the Business and Property Courts:

> "A trial witness statement must set out only matters of fact of which the witness has personal knowledge that are relevant to the case, and must identify by list what documents, if any, the witness has referred to or been referred to for the purpose of providing the evidence set out in their trial witness statement. The requirement to identify documents the witness has referred to or been referred to does not affect any privilege that may exist in relation to any of those documents."

12. The Statement of Best Practice in relation to trial witness statements, paragraph 3.4, provides materially:

> "A trial witness statement should refer to documents, if at all, only where necessary. It will generally not be necessary for a trial witness statement to refer to documents beyond providing a list to comply with paragraph 3.2 of Practice Direction 57AC."

A later part of the same paragraph says:

> "Where a trial witness statement does refer to a document, it should not exhibit the document but should give a reference enabling it to be identified by the parties, unless it is a document being produced or disclosed by the witness that has not been disclosed in the proceedings."

13. For completeness I note that, by a consent order of Master McQuail made on 19 April 2024, the disclosure scheme under Practice Direction 57AD does not apply to this case (which was started in the Business and Property Courts Intellectual Property List), but the disclosure rules for the Shorter Trials Scheme apply. It was common ground that under the rules governing the Shorter Trials Scheme CPR 31.14 does apply.

14. The defendant also referred to the Practice Direction for the Shorter Trials Scheme and argued, first, that in such cases the court expects disclosure to be limited and targeted; and, second, that any applications for disclosure should be made at the CMC. The defendant said that this should have happened in April 2024. I will return to this.

15. The first question is whether the sponsorship contract between the defendant and Asahi has been mentioned in the witness statement of Mr Way. Counsel for the claimants said that the list annexed to the statement was part of it, that it referred to the contract, and that that alone was sufficient. He also submitted that the content of the statement supported the conclusion that the contract had been mentioned and referred in particular to the passages cited above. He said that it was not necessary for the witness to have relied on the document in his or her evidence and that it was sufficient if there was a direct allusion to it. This is not one of those cases where there is only a reference to a transaction which may or may not have been in writing. There is no doubt that the document exists, and it has been mentioned.

16. Counsel for the defendant submitted, first, that the list attached to the witness statement was not itself a mention of the document in the witness statement. He said that part of the purpose of Practice Direction 57AC was to avoid a plethora of documents being referred to and that, while it was a requirement to include such a list, doing so did not as such amount to a mention. As to the contents of the statement, he said that the reference in the heading before paragraph 7 and that paragraph was generic, that this was not a direct allusion to a document; and that the references to sponsorship which appear from paragraph 13 onwards are not direct allusions to a document either. Rather the references are to a relationship, which Mr Way fleshes out by recounting the practical steps taken by the parties under it. This is because what matters in this case is whether those steps (including the use of the branding on the kit) are legally permissible or not, not what the contract provides.

17. I have concluded that the contract is mentioned in the witness statement. The statement has to be read as a whole (including the annexed list). That the annexed list is part of the statement is shown by paragraph 3.2 of Practice Direction 57 AC. It is right that paragraph 3.2 allows a witness to list documents which the witness has referred to **or** documents the witness has been referred to for the purpose of providing the evidence. It seems to me however that (when read with the contents of paragraphs 7 and 13 of the statement) the wording used by Mr Way in the list is a direct allusion to the contract. Mr Way says at paragraph 7 that the first step in **any** sponsorship between the sponsor and the defendant is by way of a written contract, which has to be signed. In paragraph 13 and the heading to it (addressing the activation of the sponsorship between Manchester City and Asahi) he is alluding to the written contract between them (the signed contract being the first, activating, step).

18. Reading those two passages together, I consider that he is alluding directly to a specific written contract with Asahi. This is then identified specifically in the list at the end of the statement. He is not merely referring in generic terms to a transaction.

19. That being so, it is common ground that it is for the defendant to persuade the court that inspection should not take place. Counsel for the defendant emphasised two principal points. He said, first, that the contract is plainly irrelevant to the issues in this case; and, secondly, that this was a procedurally inappropriate application. There was no suggestion that the disclosure of the document would be disproportionate in requiring the expenditure of time or costs or that the document was not in the control of the defendant.

20. Taking these two grounds in reverse, counsel relied on the requirement in paragraph 2.40 of Practice Direction 57AB concerning disclosure in the Shorter Trials Scheme:

> "If and insofar as any party wishes to seek disclosure from another party of particular documents or classes of documents or of documents relating to a particular issue, they must write to the other party to make such requests not less than 14 days in advance of the CMC and, absent an agreement regarding the extent of the disclosure to be given, raise such requests at the CMC."

21. Paragraph 2.41 deals with how the court will address any dispute about disclosure, including having regard to the probative value and the reasonableness and proportionality of any searches that might be required.

22. Counsel submitted that, if they had wanted disclosure of the contract, the claimants should have applied at the time of the CMC which was dealt with by consent in April 2024. The claimants had referred to the sponsorship agreement between the defendant and Asahi in a letter before claim written in September 2023 and if the claimants had wished to pursue the request for the document, they should have done so at the CMC at the latest. They have instead left it to this PTR to apply. He also submitted that though the statement of Mr Way was served on 15 October 2024, it was only on 8 November 2024 that the solicitors for the claimants requested a copy of the document and foreshadowed this application. He submitted that the application was not proper for a PTR.

23. I do not accept these submissions. It is true that the claimants requested the document in September 2023 and did not then pursue it at the CMC. However, it was only when the claimants received the witness statement of Mr Way in October 2024 that they were aware that he would give evidence about the history of the sponsorship relationship between the defendant and Asahi, and they therefore sought a copy of the document. I do not think that the period between 15 October 2024 and the letter of 8 November 2024, or the further period between then and this hearing, renders the approach of the claimants procedurally inappropriate. Nor do I think it was wrong to have raised this point at the PTR rather than at a separate hearing.

24. The main ground of objection raised by the defendant is that the document is plainly irrelevant. Counsel for the defendant vigorously submitted that the contract itself was of no real probative value. He explained that Mr Way was merely describing the practical steps taken by the defendant in giving effect to the sponsorship relationship and the various ways in which Asahi branding has been used or applied on physical objects, including clothing of the defendant.

25. Counsel submitted that Mr Way does not refer anywhere to the actual terms of the contract and that none of his evidence is concerned with those terms. He says that it will be quite possible for the claimants to cross-examine Mr Way fairly without having a copy of the contract. He says that in a case where there is no possible probative value, it is reasonable for his client to resist inspection of the document.

26. I consider there is some force in these submissions. It seems to me that most of Mr Way's statement is concerned with the practical steps taken by the parties in relation to Asahi's branding and that the real questions at trial are going to be whether the branding which has been applied to the kit infringes the trade marks of the claimants or amounts to passing off. That said, there may be some questions which the claimants may wish to ask Mr Way about the contract. It is possible that the provisions of the agreement concerning the nature of the brands may throw some light on whether the uses made by the defendant on the relevant kit have gone beyond the normal branding used by Asahi, in particular in relation to the comparative size of the lettering used for the words "Super" and "Dry" as against the other elements of the branding. The contract may also have some relevance to one of the ways that the claimants put the infringement claim, namely that the defendant has taken an unfair advantage of their marks. More generally it seems to me that, Mr Way having mentioned the contract in his witness statement, it is fair that the claimants should be able to inspect the document for the purpose of deciding how to cross-examine him. I do not anticipate that there will be extensive cross-examination based on the contract, but there may be some.

27. I am not satisfied that production of the document for inspection would be unreasonable or disproportionate. The defendant has not satisfied the onus of persuading me that inspection should not be allowed. I return to the point cited earlier from *Malek & Matthews*, that if a party thinks it worthwhile to mention a document in a witness statement, the court should not put difficulties in the way of inspection, subject to questions of privilege. I have decided that inspection of the document should be given.

28. I turn to an application by the claimants for an order for compulsory mediation before the trial.

29. In *Churchill v Merthyr Tydfil County Borough Council* [2023] EWCA Civ 1416 the Court of Appeal determined that the court had power to order unwilling parties to engage in alternative dispute resolution. The Court of Appeal referred to the report of the Civil Justice Council ADR Working Group in November 2018.

30. Since the *Churchill* case, the Civil Procedure Rules have been amended with effect from 1 October 2024. The revisions include amending the overriding objective to include promoting or using alternative dispute resolution; CPR 1.4 (which concerns the duty of active case management) now includes the express power to order the parties to use and facilitate the use of ADR; the court's case management powers under CPR 3.1 now include the power to order the parties to participate in ADR; and under CPR 29.2(1A) when giving directions the court must consider whether to order or encourage the parties to participate in ADR.

31. The claimants submitted that these changes recognise a sea-change in the approach of the courts to ADR. They said that another important aspect of the overriding objective is to ensure that the court's resources are properly allocated not only to the parties but to other court users.

32. The claimants referred to the findings of the Civil Justice Council ADR Working Group that mediation has worked in complex and entrenched disputes, including where the ADR process appeared to be unlikely to succeed and where one or other party believed that he or she had a strong case.

33. The claimants contended that this is a case where the court should exercise its power to order a mediation. They said that the dispute is capable of resolution: it is not a particularly complicated one, and there are several variables in the dispute between the parties which might allow an out-of-court compromise (and which might not be available in a judgment of the court). These include agreement about the form and size of any logo or lettering on the relevant sports kit, payment of money, and the timing of any changes.

34. The claimants note that there has been no mediation to date, although there have been unsuccessful settlement negotiations. The parties are about to incur hundreds of thousands of pounds of further costs. A short, sharp, mediation of one day before the end of December may well allow the parties to avoid at least some of those costs. This would also potentially save court time and resources.

35. Counsel for the defendant submitted that, while there was no dispute about the power of the court to order mediation, it should only do so where there was a realistic prospect of success. He submitted that this was not such a case. On the contrary, both parties wanted their position to be judicially determined. He said that, even if the claimants say they are prepared to compromise, the defendant wishes to know once and for all whether it can place the Asahi branding on football kit and other clothing. He said that this needs to be determined and that his client is entitled to a judicial determination of that question. He submitted that mediation was not realistically likely to lead to settlement.

36. He also pointed out that in a trial witness statement, Mr Dunkerton of the claimants has said that they would not be prepared to allow the Superdry brand to be shown as the sponsor on any particular club's kit. Mr Dunkerton notes that football supporters are

notoriously tribal, and that the claimants have already received abuse by reason of the association of the words "Super" and "Dry" with Manchester City.

37. Counsel for the defendant also says that it is very late in the day to seek the order, that the parties have already spent hundreds of thousands of pounds, and that the trial is imminent. He also says that his client had very limited availability for a mediation in December. In short, it is too late in the day; it is not a case where his client is being obstructive; mediation will fail; and this is a case where a ruling is needed.

38. As to the last point, in many cases the parties' positions in the litigation are diametrically opposed and it may easily be said that each party requires a judicial determination. But nonetheless the parties come through ADR to recognise the desirability of settling for less than their strict legal rights and compromising their positions. Experience shows that mediation is capable of cracking even the hardest nuts. The process sometimes succeeds in cases where the parties appear at first to have intractable differences. Here, as the claimants said, everything would be up for grabs at a mediation, including the form of representation of any branding on the relevant kit, timing and money. The claimants are also right to say that the dispute is self-contained and that a mediation would be able to focus on possible solutions rather than raking over historical grievances.

39. I see some force in the defendant's submission that it is late in the day to be seeking an order, but it may also be said that there is some advantage in the parties' positions having been crystallised through pleadings and the service of witness statements. It is indeed sometimes an objection to mediation that it is premature, proposed at a stage when the parties' positions are unknown. That cannot be said here.

40. There is also some force in the submission of counsel for the defendant that these are commercial parties with experienced solicitors and that if there was realistically to be a settlement, one would have expected it already to have been reached. But that argument does not do full justice to experience, which shows that bringing the parties together through mediation can overcome an entrenched reluctance of parties to negotiate, even where sincere. The purpose of mediation is to remove roadblocks to settlement. I am unable to accept the submissions of the defendant that a mediation here has low prospects of success and that adjudication by a court is necessarily required. The range of options available to the parties to resolve the dispute through mediation goes beyond the binary answer a court could provide. There may be solutions other than yes or no.

41. A mediation of this case will be short and sharp, and the documents needed for it would be brief. The defendant did not suggest that mediation would significantly disrupt the parties' preparations for trial.

42. Counsel for the defendant said that his instructions were that they had very limited availability in December. However, on the available material it seems it would be possible for the parties to find a workable date.

43. I take account of all of the considerations identified by the parties. Overall I am satisfied that this is a case where I should order the parties to mediate with a view to seeking, if possible, to resolve the dispute between them and that it should take place during December 2024. The parties should report its outcome to the court as soon as possible after the mediation is complete.

44. **Postscript:** on 13 January 2025 the parties notified the court that they had settled their dispute.