



Neutral Citation Number: [2018] EWHC 3155 (Ch)

Case No: HC-2017-002337

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
INTELLECTUAL PROPERTY LIST (CHANCERY DIVISION)

Rolls Building
Fetter Lane, London, EC4A 1NL

Date: 21 November 2018

Before :

MR JUSTICE ARNOLD

Between :

EASYGROUP LIMITED
- and -
(1) EASY FLY EXPRESS LIMITED
(2) SABER CHOWDHURY

Claimant

Defendants

Michael Bloch QC and Stephanie Wickenden (instructed by Shoosmiths LLP) for the
Claimant
Ajmalul Hossain QC and Nicholas Towers (instructed by Wiggin LLP) for the Defendants

Hearing dates: 14 November 2018

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

.....
MR JUSTICE ARNOLD

MR JUSTICE ARNOLD :

Introduction







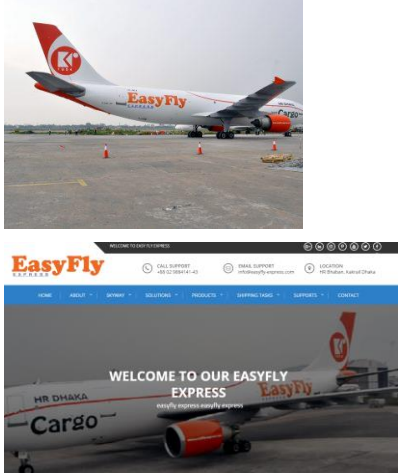
1. On 27 September 2017 Deputy Master Lloyd granted the Claimant (“easyGroup”) permission to serve the Claim Form and Particulars of Claim on the Defendants outside the jurisdiction in Bangladesh. On 1 February 2018 the Defendants applied for an order that this Court has no jurisdiction to hear this claim, alternatively that it should not exercise any jurisdiction it may have.

The claim

2. easyGroup is a vehicle of Sir Stelios Haji-Ioannou, the well-known entrepreneur and founder of the budget airline easyJet. easyGroup is the proprietor of a large number of “easy-” prefixed registered trade marks and of any goodwill associated with such marks. In particular, it is the proprietor of (i) UK Trade Mark No. 2,016,785 for the word EASYJET registered in respect of (inter alia) “transportation of goods ... by air, arranging for transportation of goods ... by ... air; ... cargo handling and freight services” in Class 39 and (ii) EU Trade Mark No, 9,220,799 for a device mark including the word easyFlights registered in respect of (inter alia) “transportation of goods ... by air ...; ... cargo handling and freight services” in Class 39.
3. The First Defendant (“Easy Fly”) is a company based in Dhaka, Bangladesh. The Second Defendant (“Mr Chowdhury”) is resident in Bangladesh and is the Chairman of Easy Fly. Mr Chowdhury is, or at least was at the date of issue of the claim, also the registrant of the domain name www.easyfly-express.com from which Easy Fly’s services are marketed (“the Defendants’ Website”). easyGroup alleges that Mr Chowdhury is the guiding mind behind Easy Fly and liable as joint tortfeasor for the acts of Easy Fly complained of.
4. The Defendants offer and provide airline cargo services under the signs EasyFly and the logo shown (“the Signs”):



5. easyGroup alleges that the Defendants’ use of the Signs amounts to infringement of a number of registered trade marks, and in particular the two set out above, and passing off.
6. easyGroup contends that the similarity between the Signs and the Claimant’s registered trade marks, particularly the EASYJET and easyFlights marks, is striking, and that the Defendants have imitated easyGroup’s distinctive get-up:

easyGroup's mark/get-up	Defendants' use of the Signs
EASYJET	EasyFly
	
	
 <p>(easyJet branded aeroplane)</p>  <p>(Other uses of easyGroup's distinctive house style)</p>	 <p>(photographs shown on the Defendants' Website)</p>

Applicable principles

7. The principles to be applied when granting permission to serve out of the jurisdiction are well established. The three basic criteria were restated by Lord Collins of Mapesbury giving the advice of the Privy Council in *AK Investment CJSC v Kyrgyz Mobile Tel Ltd* [2011] UKPC 7, [2012] 1 WLR 1804 at [71], [81] and [88]. They can be summarised as follows. First, the claimant must satisfy the court that, in relation to the foreign defendant to be served with the proceedings, there is a serious issue to be tried on the merits of the claim, i.e. a substantial question of fact or law or both. This means that there has to be a real, as opposed to a fanciful, prospect of success on the claim. Secondly, the claimant must satisfy the court that there is a good arguable case that the claim against the foreign defendant falls within one or more of the classes of case for which leave to serve out of the jurisdiction may be given (often referred to as “the gateways”) which are set out in paragraph 3.1 of Practice Direction 6B. Thirdly, the claimant must satisfy the court that in all the circumstances England is clearly or distinctly the appropriate forum for the trial of the dispute and that in all the circumstances the court ought to exercise its discretion to permit service of the proceedings out of the jurisdiction.
8. As Lord Sumption explained in *Four Seasons Holdings Incorporated v Brownlie* [2017] UKSC 80, [2018] 1 WLR 192 at [7], in order to establish a good arguable case in relation to a gateway:

“(i)... the claimant must supply a plausible evidential basis for the application of a relevant jurisdictional gateway; (ii) ... if there is an issue of fact about it, or some other reason for doubting whether it applies, the Court must take a view on the material available if it can reliably do so; but (iii) the nature of the issue and the limitations of the material available at the interlocutory stage may be such that no reliable assessment can be made, in which case there is a good arguable case for the application of the gateway if there is a plausible (albeit contested) evidential basis for it.”

The gateways relied upon by easyGroup

9. easyGroup relied upon the following gateways when obtaining permission to serve out:
 - i) paragraph 3.1(2): a claim is made for an injunction ordering the defendant to do or refrain from doing an act within the jurisdiction;
 - ii) paragraph 3.1(9): a claim is made in tort where damage was sustained, or will be sustained, within the jurisdiction;
 - iii) paragraph 3.1(11): the subject matter of the claim relates wholly or principally to property within the jurisdiction, provided that nothing under this paragraph shall render justiciable the title to or the right to possession of immovable property outside England and Wales; and

- iv) paragraph 3.1(20)(a): a claim is made under an enactment which allows proceedings to be brought and those proceedings are not covered by any of the other grounds referred to in this paragraph.

Does easyGroup have a real prospect of success?

10. In order for use of a sign to qualify as use in the UK or elsewhere in the EU so as to infringe a UK or EU trade mark, or amount to passing off, the use must be targeted at the UK or elsewhere in the EU. The Defendants contend that easyGroup does not have a real prospect of success against either Defendant because the acts of Easy Fly complained of were not targeted at the UK or elsewhere in the EU.

The law

11. There is no dispute as to the legal principles, which have been considered in two recent decisions of the Court of Appeal. In *Merck KGaA v Merck Sharp & Dohme Corp*, [2017] EWCA Civ 1834, [2018] ETMR 10 Kitchin LJ, having considered the judgments of the Court of Justice of the European Union in Joined Cases C-585/08 and C-144/09 *Pammer v Reederei Karl Schluter GmbH & Co. KG and Hotel Alpenhof GesmbH v Heller* [2010] ECR I-12527, Case C-324/09 *L'Oréal SA v eBay International BV* [2011] ECR I-6011 and Case C-173/11 *Football Dataco Ltd v Sportradar GmbH* [EU:C:2012:642], [2013] FSR 4, and a number of domestic authorities, summarised the relevant principles as follows:

“[167] First, in determining whether an advertisement of goods bearing a trade mark on the website of a foreign trader constitutes use of the trade mark in the UK, it is necessary to assess whether the advertisement is targeted at consumers in the UK and in that way constitutes use of the mark in relation to goods in the course of trade in the UK.

[168] Secondly, the mere fact that a website is accessible from the UK is not a sufficient basis for concluding that an advertisement displayed there is targeted at consumers in the UK.

[169] Thirdly, the issue of targeting is to be considered objectively from the perspective of average consumers in the UK. The question is whether those average consumers would consider that the advertisement is targeted at them. Conversely, however, evidence that a trader does in fact intend to target consumers in the UK may be relevant in assessing whether its advertisement has that effect.

[170] Fourthly, the court must carry out an evaluation of all the relevant circumstances. These may include any clear expressions of an intention to solicit custom in the UK by, for example, in the case of a website promoting trade-marked products, including the UK in a list or map of the geographic areas to which the trader is willing to dispatch its products. But a finding that an advertisement is directed at consumers in the

UK does not depend upon there being any such clear evidence. The court may decide that an advertisement is directed at the UK in light of some of the non-exhaustive list of matters referred to by the Court of Justice in *Pammer* at [93]. Obviously the appearance and content of the website will be of particular significance, including whether it is possible to buy goods or services from it. However, the relevant circumstances may extend beyond the website itself and include, for example, the nature and size of the trader's business, the characteristics of the goods or services in issue and the number of visits made to the website by consumers in the UK."

12. What the Court of Justice said in *Pammer* at [93] was as follows:

"The following matters, the list of which is not exhaustive, are capable of constituting evidence from which it may be concluded that the trader's activity is directed to the Member State of the consumer's domicile, namely the international nature of the activity, mention of itineraries from other Member States for going to the place where the trader is established, use of a language or a currency other than the language or currency generally used in the Member State in which the trader is established with the possibility of making and confirming the reservation in that other language, mention of telephone numbers with an international code, outlay of expenditure on an internet referencing service in order to facilitate access to the trader's site or that of its intermediary by consumers domiciled in other Member States, use of a top-level domain name other than that of the Member State in which the trader is established, and mention of an international clientele composed of customers domiciled in various Member States. It is for the national courts to ascertain whether such evidence exists."

13. In *Argos Ltd v Argos Systems Inc* [2018] EWCA Civ 2211 Floyd LJ observed at [48]:

"Targeting is not an independent doctrine of trade mark law. It is, in essence, a jurisdictional requirement. Because trade marks are territorial in effect, those who are doing business exclusively outside the United Kingdom should not have their dealings subjected to the trade mark law of the United Kingdom. Failure to recognise this principle is a failure to give effect to the territoriality of the underlying rights. Moreover the fact that a website is accessible from anywhere in the world, and therefore may attract occasional interest from consumers there when this is not intended, should not give rise to any form of liability."

Assessment

14. Mr Chowdhury has explained in two witness statements the domestic and regional nature of Easy Fly's business. Easy Fly is a small cargo airline which is headquartered

in Dhaka with an office in Cox's Bazaar and a full-time staff of 27. In 2017 it flew an average of 2.5 flights per week. 98% of those flights were domestic flights between Dhaka, Cox's Bazaar and Jessore. Recently, it has undertaken a small number of regional return flights outside Bangladesh to Delhi (10), Dubai (1) and Amman (1 – a routine maintenance flight). It also envisages the possibility of offering services to other regional hubs such as Hong Kong. Easy Fly has never offered flights to anywhere in Europe and has no plans to do so.

15. The bulk of Easy Fly's business is transporting live shrimp fry within Bangladesh, and its customers are predominantly Bangladeshi companies. It has never had a customer from anywhere in Europe. The business of Easy Fly comes primarily from direct marketing activities or through freight forwarders in Bangladesh, although it has engaged in some advertising in local newspapers and trade press. Mr Chowdhury's evidence is that Easy Fly has never entered into a contract through the Defendants' Website or with a customer who had reached Easy Fly via the Defendants' Website.
16. Until 2017 Easy Fly's only aircraft was a SAAB 340A which has a range of 750 nautical miles and a maximum cargo-carrying capacity of 5 tons. In 2017 Easy Fly acquired an Airbus A300, which has a range of 4000 nautical miles. Although this plane has the capability (by making refuelling stops) to travel to Europe, Mr Chowdhury is clear that this capability would come at a commercially unviable cost. Easy Fly has no intention of targeting EU or UK consumers.
17. easyGroup's case on targeting is based on two pages of the Defendants' Website, on the Defendants' Facebook page and on a recent Google search.
18. A common factor relied upon by easyGroup is the fact that the Defendants' Website and Facebook page are in English. I am unimpressed with this. As Mr Chowdhury explains, with supporting evidence, English is widely spoken in Bangladesh, particularly in business. It is also the dominant language used on websites globally.
19. Against this, the Defendants rely upon the facts that the home page of the Defendants' Website gives Easy Fly's location as "HR Bhaban, Kakrail Dhaka" and gives the following contact details "Call support +88 [i.e. Bangladesh] 02 98831341-43" and "Email support info@easyfly-express.com". The Defendants also rely upon the fact that neither of the pages of the Defendants' Website relied upon by easyGroup are the home page. Both require the user to navigate the Defendants' Website using drop-down menus in order to access them.
20. The first page of the Defendants' Website relied upon by easyGroup was located at the URL <http://easyfly-express.com/cargo-rout> [sic] from 11 April 2017 to 19 September 2017. It included the following statement:

"Our network provides a global reach for customers in Africa, Europe, North America, South America, the Middle East, South East Asia and North Asia."
21. The Defendants contend that this statement would be perceived by the average consumer of airline cargo services as an advertising puff. I agree with this. It is quite plain from the Defendants' Website that it does not have anything remotely

resembling a global reach. In any event, even taken entirely at face value, this statement amounts to a claim that Easy Fly serves the whole world. It does not amount to targeting Europe, still less the UK.

22. The second page of the Defendants' Website relied upon by easyGroup was, and remains at the time of writing, located at the URL <http://easyfly-express.com/about-fly-express>. This page contains 10 paragraphs describing Easy Fly and the Karnaphuli Group of which it has been a member since 2014. The eighth paragraph states:

“... While we moved on with our domestic operations, we foresee greater business opportunities lying ahead in the international air-cargo market as well. Initial market research shows an appreciable tonnage of cargo movements between Bangladesh and China, Middle-east, Europe & in the USA region.”

23. The tenth paragraph states:

“To extend cargo network initially to the Chinese cities, middle-east, we are particularly working to acquire appropriate aircrafts at earliest.”

24. The statements quoted in paragraphs 22 and 23 above also appear on the Defendants' Facebook page (again, this requires navigation by the user). Mr Chowdhury says that, as at 28 January 2018, a total of 514 visitors had “liked” the Facebook page of whom two were from the UK (0.36%) and six were from the EU (1.16%). Again, there are no UK or EU contact details.

25. The Defendants contend that the average consumer would perceive the first statement as merely identifying potential future opportunities and that, reading it together with the second statement, he or she would conclude that at present Easy Fly was only targeting China and the Middle East (and even that was work in progress). I agree with this.

26. Overall, the Defendants contend that a UK or EU consumer of airline cargo services who stumbled on the Defendants' Website or Facebook page would conclude that it was not aimed at him or her. Apart from the matters I have already considered, the only other factor relied upon by easyGroup as supporting the opposite conclusion is the resemblance between the Signs and easyGroup's trade marks and get-up. While I accept that this is a factor to be taken into account, I do not accept that it is sufficient to lead the average UK or EU consumer to believe that the Defendants' Website or Facebook page is aimed at him or her.

27. Finally, I turn to the Google search relied upon by easyGroup. All this shows is that a search for “cargo flight Bangladesh” yielded the Defendants' Website as the second hit. The search result is headed “Easy Fly Express – first & only cargo service in Bangladesh”, however. There is nothing to suggest that the service is targeted at Europe.

28. I am conscious that it is not the function of the Court to conduct a mini-trial at this stage and that further evidence may become available. Nevertheless, for the reasons

given by Floyd LJ, it is necessary to consider whether easyGroup has a real prospect of establishing that Easy Fly has targeted the EU, and in particular the UK. In my judgment it does not.

29. The Defendants also contend that, even if easyGroup has a real prospect of success on its claim against Easy Fly, it has no real prospect of success of establishing its case of joint tortfeasance against Mr Chowdhury. Having regard to my previous conclusion, this question does not arise. It is sufficient to say that I consider that easyGroup would have a real prospect of success on this issue.
30. In case I am wrong about the first requirement, I will briefly consider the remaining two.

Does easyGroup have a good arguable case in respect of one or more of the gateways?

31. In my judgment it is plain that easyGroup has an unanswerable case in respect of one or more of the gateways relied upon. It is sufficient to refer to the first, third and fourth gateways. So far as the first is concerned, easyGroup seeks an injunction to restrain the doing of acts within the UK. So far as the third is concerned, easyGroup relies upon UK registered trade marks, which are property situate within the UK. As for the fourth, the High Court of England and Wales is an EU Trade Mark Court and therefore had jurisdiction to hear claims which relate to EU trade marks under article 96(2) of Council Regulation 207/2009/EC of 26 February 2009 on the Community trade mark (now article 125(2) of European Parliament and Council Regulation 2017/1001/EU of 14 June 2017 on the European Union trade mark (codification)), which provides:

“If the defendant is neither domiciled nor has an establishment in any of the Member States, such proceedings shall be brought in the courts of the Member State in which the plaintiff is domiciled or, if he is not domiciled in any of the Member States, in which he has an establishment.”

32. Counsel for the Defendants submitted that, in order to establish a good arguable case in relation to these gateways, it was necessary for easyGroup to show that it had a good arguable case on the merits of its substantive claim. I do not accept this: see *Fujifilm Kyowa Kirin Biologics Co Ltd v AbbVie Biotechnology Ltd* [2016] EWHC 2204 (Pat), [2017] Bus LR 333 at [87]-[89] in relation to gateway (2) and *Conversant Wireless Licensing SARL v Huawei Technologies Co Ltd* [2018] EWHC 808 (Pat) at [108]-[110] in relation to gateway (11).

Is England clearly or distinctly the appropriate forum for the trial of the claim?

33. In my view it is plain that, if easyGroup had a real prospect of success, England would be the appropriate forum for the trial of the claim. No serious argument to the contrary was offered by counsel for the Defendants.

Conclusion

34. For the reasons given above, I will accede to the Defendants' application.