



Neutral Citation Number: [2018] EWHC 3552 (Ch)

Case No: IL 2018 000115

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

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

Date: 14/12/2018

Before:

**MR. JUSTICE MORGAN**

-----

Between:

(1) LIFESTYLE EQUITIES CV  
(2) LIFESTYLE LICENSING BV  
(Both companies incorporated under the laws of the Netherlands) **Claimants**

- and -

(1) ROYAL COUNTY OF BERKSHIRE POLO CLUB LIMITED  
(2) GRETA MAE MORRISON  
(3) JAMES TARA MORRISON  
(4) THE PARTNERSHIP (LICENSING) LIMITED  
(5) JONATHAN ERIC BOWER TOWNSEND  
(6) MAYS ZONA LIBRE S.A.  
(a company incorporated under the laws of Panama)  
(7) EMPRESAS LA POLAR S.A.  
(a company incorporated under the laws of Chile)  
(8) EMPRESAS HITES S.A.  
(a company incorporated under the laws of Chile)  
(9) TIENDAS PERUANAS S.A.  
(a company incorporated under the laws of Peru)  
(10) SEARS OPERADORA MEXICO, SA DE CV  
(a company incorporated under the laws of Mexico)  
(11) ABDUL GHANI MAMOUN TR LLC **Defendants**  
(a company incorporated under the laws of the UAE)

-----

-----

**APPEARANCES:**

**MR. MICHAEL EDENBOROUGH QC and MR. THOMAS ST. QUINTIN (instructed by Brandsmiths) appeared for the Claimants.**

**MR. MARTIN HOWE QC and MS. ASHTON CHANTRIELLE (instructed by Maitland Walker Solicitors) appeared for the First and Third Defendants.**

-----

**Approved Judgment**

Computer-aided transcript of the Stenograph Notes of Marten Walsh Cherer Ltd.,  
1<sup>st</sup> Floor, Quality House, 6-9 Quality Court, Chancery Lane, London WC2A 1HP.

Telephone No: 020 7067 2900. Fax No: 020 7831 6864 DX 410 LDE

Email: [info@martenwalshcherer.com](mailto:info@martenwalshcherer.com)

Web: [www.martenwalshcherer.com](http://www.martenwalshcherer.com)

**MR. JUSTICE MORGAN :**

1. This judgment is concerned with two applications which have been made in this litigation. The first application was made on 28th September 2018 by the first, second and third defendants. The first defendant is called Royal County of Berkshire Polo Club, and I will refer to these three defendants as the RCB defendants.
2. The application made by the RCB defendants is expressed in somewhat compressed language, but when the wording is separated out one can see that the application is seeking five separate orders, which are: (i) an order that the claimant's claims against the sixth to eleventh defendants be struck out on the grounds that they are an abuse of the process of the court; (ii) an order that the claimants' claims, which allege that the first to fifth defendants were jointly or severally liable for the acts of any of the sixth to eleventh defendants, be struck out on the grounds that they are an abuse of the process of the court; (iii) in the alternative to (i) and (ii) above, an order that the claims referred to in (i) and (ii) above be stayed, because those claims are or contain or raise defences which are not justiciable in the courts of England and Wales; (iv), also in the alternative to (i) and (ii) above, an order that the claims referred to in (i) and (ii) above be stayed, because this is not the appropriate forum for those claims; (v) an order striking out the claimants' claim for conspiracy to injure by unlawful means, because the particulars of that claim disclose no reasonable grounds for bringing the claim and/or such claim is an abuse of the process of the court.
3. The application by the RCB defendants raises questions as to the jurisdiction of the court and questions as to procedure.
4. The second application which is before me is an application issued on 7th November 2018 by the claimants which asks for summary judgment in favour of the claimants in relation to the issues raised by the counterclaim of the RCB defendants, alternatively asks for the counterclaim to be struck out.
5. This application overlaps to a limited extent with some of the points raised by the application made by the RCB defendants, but in addition the claimants' application requires the court to determine two points arising in the law relating to trade marks. Although the claimants' application asks for the court to dispose of the whole of the counterclaim, the submissions made on behalf of the claimant focused on two particular allegations in the counterclaim.
6. Mr. Edenborough QC and Mr. St. Quintin appeared on behalf of the claimant. Mr. Howe QC and Ms. Chantrielle appeared on behalf of the RCB defendants. There has been no appearance by the fourth and fifth defendants. They have served a defence in these proceedings. Their solicitors, Gateley Plc, have written to the court to support the application made by the RCB defendants, but they have not made any application on behalf of the fourth and fifth defendants. I will deal with the position of the sixth to eleventh defendants later.
7. I will begin with the application by the RCB defendants. For this purpose I need to summarise the particulars of claim. The particulars of claim are a lengthy document, running to some 40 pages and will take a little bit of summary.

8. Briefly, the claim relates to alleged infringement of UK and EU trade marks and also of non-EU trade marks, in relation to which the first claimant is the registered proprietor and the second claimant is a licensee from the first claimant.
9. Paragraphs 2 to 8 of the particulars of claim set out information as to the UK and EU registrations. I need not summarise those paragraphs at this stage, although later in this judgment I will describe the principal trade mark which is relied upon by the claimants and which is said to be infringed by the defendants.
10. Paragraphs 9 to 22 set out the non-EU registrations. The countries in which the first claimant has become registered with a mark as pleaded in these paragraphs are: Panama, Chile, Mexico, Peru and the United Arab Emirates. Paragraphs 25 to 27 of the pleading set out the claimants' contentions as to the goodwill, reputation and enhanced distinctive character of the UK and EU marks.
11. Starting at paragraph 28 the pleading then identifies the eleven defendants. The first defendant is the Royal County of Berkshire Polo Club Limited. It is the owner of and uses various signs which are identified as infringing signs. The second defendant, before her recent death, was a director of the first defendant. The third defendant is a director of the first defendant. I have already explained that I am referring to these three defendants as the RCB defendants. The fourth defendant is a licensing agency which is connected with the first defendant and the use by the first defendant of its signs. The fifth defendant is the sole director of the fourth defendant. The first to fifth defendants are domiciled in this jurisdiction.
12. The sixth to eleventh defendants are not domiciled in this jurisdiction. I can refer to them as the non-EU defendants. The sixth defendant is a Panamanian company and it is pleaded that it is a vendor of a wide variety of goods, it operates a website, and the sixth defendant has stated that it is the exclusive licensee for the first defendant's signs in Latin America and the Caribbean.
13. The seventh defendant is a Chilean company. It is pleaded that it operates a chain of retail stores in Chile at which goods bearing the allegedly infringing signs are offered for sale and sold. The eighth defendant is another company incorporated in Chile. It is pleaded that it operates a chain of retail stores in a similar way to the seventh defendant.
14. The ninth defendant is a Peruvian company. It is pleaded that it operates a chain of retail stores in Peru doing the same things as the seventh and eighth defendants do in Chile. The tenth defendant is a company incorporated in Mexico. It is pleaded that it operates a chain of department stores in Mexico at which goods bearing the first defendant's signs are offered for sale and sold.
15. The eleventh defendant is a company incorporated in the United Arab Emirates. It is pleaded that it operates retail stores branded as Royal County of Berkshire Polo Club Stores.
16. The pleading then, beginning at paragraph 42, alleges various respects in which the defendants, it is said, have incurred joint and several liability to the claimants. Paragraph 42 pleads joint and several liability on the part of the three RCB defendants. Paragraph 44 pleads that the RCB defendants are jointly and severally

liable for the acts of the fourth and fifth defendants. Paragraph 45 pleads that the RCB defendants are jointly and severally liable for the acts of the sixth to eleventh defendants and particulars are given of that allegation. Paragraph 47 pleads that the fourth and fifth defendants are jointly and severally liable for the acts of the fourth and fifth defendants. Paragraph 49 pleads that the fourth and fifth defendants are jointly and severally liable for the acts of the sixth to eleventh defendants and particulars are given of that allegation.

17. These allegations of joint and several liability appear in the pleading before the pleading sets out the acts of which complaint is made. The acts of which complaint is made are pleaded beginning at paragraph 51. The pleading begins by identifying acts in the UK and in the EU and refers to a number of signs used by principally the first three defendants but of course said to have implications for the other defendants also.
18. Then, at paragraph 53, there is pleaded the detail of the alleged infringement of the claimants' rights in the non-EU jurisdictions. The pleading then sets out the case as to infringement of the UK and EU registrations and a claim in passing off. It is essentially pleaded that the use of the signs infringes the claimants' rights in their registered marks and involves passing off of the defendant's goods for those of the claimants.
19. The pleading then sets out the detail of the case as to infringement of the non-EU registrations. In the case of each of the five non-EU countries, the pleading sets out the relevant law of that country and sets out the rights of the first claimant to a registered mark in that country.
20. In the case of Mexico, in addition to a claim for trade mark infringement, there is at paragraph 98.2 of the pleading an allegation that the Mexican company, the tenth defendant, has engaged in acts contrary to proper practice and custom in industry commerce and services which amount to unfair competition and which relate to the subject matter regulated by the identified Mexican legislation.
21. At paragraphs 106-110 there is a pleading of a number of matters under the heading "Conspiracy to Injure By Unlawful Means". I will not read out those paragraphs but I will refer to them again when I deal with the fifth head of relief, which is sought by the RCB defendants, which is effectively an order striking out those paragraphs.
22. The pleading then moves on to deal with the claimants' case as to the invalidity of certain UK marks in relation to which the first defendant is registered. The case is essentially based upon the defendant's UK marks being identical or similar to the claimants' registered marks giving rise to a likelihood of confusion.
23. There is also an allegation in paragraph 118 that the first defendant applied for registration of its marks in bad faith, certainly in respect of the width of the classes in relation to which the mark is registered.
24. The pleading then at paragraphs 120 to 125 sets out certain matters as to the remedies, which are sought and which are said to be appropriate. There follows a prayer for relief in a conventional form. The prayer asks for an injunction preventing the defendants, that is all 11 defendants, from acts of infringement and from passing off,

and from engaging in a conspiracy to injure through unlawful means. The injunction claimed extends to undertaking acts of unfair competition, it may be that applies to the Mexican company only. The prayer then seeks an order for delivery up and destruction. The prayer then seeks monetary relief, either an inquiry as to loss and damage or an account of profits. The claim for an account of profits is directed to all 11 defendants. Potentially that claim could enable the claimants to have an account of the RCB defendants profits but also the profits of other persons further down the chain of supply in this case. It is not necessary, I think, to refer to other remedies sought in the prayer for relief.

25. The RCB defendants have served a defence and counterclaim. I will need to refer to certain paragraphs in the counterclaim when I deal with the claimants' application for summary judgment or a strike out. The fourth and fifth defendants have also served a defence and counterclaim. The claimants have then replied to those pleadings and served defences to the counterclaims.
26. I will now refer to the question of service of these proceedings out of the jurisdiction on the sixth to eleventh defendants. On 13th October 2018, Deputy Master Kaye gave the claimants permission to serve these proceedings out of the jurisdiction on the sixth to eleventh defendants. The application for permission to serve out had relied on a detailed witness statement from the claimants' solicitor. The sixth to tenth defendants have been served with the proceedings. I am not at the moment clear as to the up-to-date position in relation to the eleventh defendant. At the time of the exchange of skeleton arguments, I was told that the eleventh defendant had not been served but matters may have moved on. It is not matter of significance in relation to the determination of the applications before me.
27. I understand that the seventh defendant has served an acknowledgment of service which contains a statement that it intends to challenge the jurisdiction of the court in relation to the claims against it. I was told that the parties had agreed that an application by the seventh defendant could await the result of the present applications which are before me. I am also told that the sixth defendant and the eighth to tenth defendants have not served an acknowledgment of service.
28. I have explained the position in relation to the eleventh defendant. If it has been served, I am not told of any acknowledgment of service by it.
29. I explained earlier that the application by the RCB defendants seeks five orders. The fifth of those orders related to the way in which the claimants had pleaded a conspiracy by all of the defendants to injure the claimants by unlawful means. It is convenient to deal with that point first and separately as it raises discreet issues.
30. The arguments on this point raise the question whether it is an ingredient of the tort of conspiracy to injure by unlawful means that the relevant defendant intends to injury the claimant. Mr. Howe submitted that this was a necessary ingredient of the tort and he cited the well known and often cited decision in *Kuwait Oil Tanker Co SAK v Al-Bader* (No. 3) [2000]2 All ER (Comm) 271, in particular, at paragraphs 107 to 108. Mr. Edenborough responded by citing *JSC BTA Bank v Ablyazov* (No. 14) [2018], UKSC 19, [2018] 2 WLR 1125. He submitted that the relevant legal principles have now been restated by the Supreme Court in a way which dispenses

with any requirement for a claimant to plead and prove that the relevant defendant intended to injure the claimant.

31. I do not accept this submission of Mr. Edenborough. It is clear from *Ablyazov* (No. 14) that an intention to injure the claimant, but not necessarily a dominant intention to injure, is still a necessary ingredient of the tort of conspiracy to injure by unlawful means; see, for example, paragraphs 13-16 in the joint judgment of Lord Sumption and Lord Lloyd Jones.
32. The next question is whether the claimants have pleaded the necessary intention to injure. I have referred to the relevant paragraphs in the particulars of claim. I do not need to set out the full text of what is currently pleaded. Having considered what is pleaded, and the submissions as to how that pleading should be interpreted, I am clear that the pleading does not in fact plead the necessary intention. I reach that conclusion even without considering whether in addition to pleading such an intention there must be a further pleading that the unlawful acts are directed at the claimant.
33. At the hearing, Mr. Edenborough put forward a draft amended pleading and sought permission to amend. Mr. Howe objected on the ground that the draft pleading as to intention and as to acts being directed at the claimant and as to the alleged knowledge of certain matters on the part of the defendant were not sufficiently particularised. Again, I need not read out the draft pleading. My conclusion is that the allegations are now adequately particularised to merit the grant of permission to amend.
34. Mr. Howe also submitted that some of the allegations of knowledge were implausible. I am not able to take that view at this stage in the litigation. I do not take the view that the allegations are so clearly unfounded so that I would be justified in withholding permission to amend on that ground. I will therefore give the claimants permission to amend the paragraphs of the particulars of claim, which put forward the case as to conspiracy.
35. I will next deal with the questions which have been argued as to jurisdiction. The first to fifth defendants are domiciled in this jurisdiction. Their position is governed by Article 4 of the Recast Brussels Regulation. Mr. Edenborough submitted that the effect of Article 4 is that the first to fifth defendants are not able to ask the court to stay the claims against them on forum grounds. They are not able to ask the court to take the view that a claim against them that they acted jointly to infringe the claimants' non-EU registrations in non-EU countries should not be tried here. Mr. Edenborough relied on *Owusu v Jackson* (case C-281/02) [2005] QB 801 and *Lungowe v Vedanta Resources Plc* [2018] 1 WLR 3575. I did not understand Mr. Howe in the end to submit to the contrary. He did not deal with this point in his reply to Mr. Edenborough.
36. It is also the law that the English court has jurisdiction to determine a claim for infringement of foreign intellectual property rights, see *Lucasfilm v Ainsworth* [2012] 1AC 208. The issue has however been raised as to whether the English court has jurisdiction to determine the validity of foreign intellectual property rights and in particular trade marks.
37. On that issue, I was shown the decision of Henry Carr J in *Chugai Pharmaceutical Co Ltd v UCB Pharma SA* [2017] FSR 45. The Judge was dealing with a patent rather

than a trade mark but it was accepted before me that the views he expressed are as applicable to a trade mark as to a patent. He dealt with the question of direct challenges to the validity of foreign patents, paragraph 74 of his judgment. He set out the rival arguments and at paragraph 74 he said this:

"So, whilst my provisional view is that direct challenges to the validity of foreign patents should not be justiciable in the English courts, it is not necessary for me to reach a conclusion on this important question, which should be decided in circumstances where it matters to the result."

38. The RCB defendants have not, at any rate not yet, pleaded a challenge to the validity of the non-EU registrations. They have not done so, although the validity of those registrations would be material to the claim that they are jointly and severally liable for the infringement of those registrations. However, the RCB defendants have taken the stance that they should not be required to and do not wish to plead to the case about the non-EU registrations until this application is determined.
39. If in the future the RCB defendants were to plead a challenge to the validity of the non-EU registrations, then it seems to me that the following questions might arise: (1) is the challenge a direct challenge to validity; (2) do the RCB defendants challenge the jurisdiction of the court to deal with the challenge to the validity or do they wish the court to determine it; (3) is a direct challenge to the validity of a foreign trade mark justiciable in this jurisdiction; (4) if a direct challenge to the validity of a foreign trade mark is not justiciable here, how should the remainder of the case be managed and in what sequence and in what manner should the issues in this jurisdiction and issues elsewhere be dealt with?
40. Mr. Edenborough went further and submitted that on the facts and on the material in this case there was reason to believe that the RCB defendants or indeed the sixth to eleventh defendants would not be in a position to mount a direct challenge to the validity of a non-EU registration.
41. In view of the fact that there is no currently pleaded challenge by anyone to the validity of a non-EU registration, it is quite simply premature to make any decision on what the court's reaction would be if such a challenge were to be made and it were then held that such a challenge was not justiciable here. I do not think that my decision as to what to do at this stage should be influenced to any real extent by these considerations.
42. The above conclusions mean that the claimants have brought proceedings here making the allegations which I have described earlier. Some of those allegations involve alleged liability of the RCB defendants together with the sixth to eleventh defendants. Even if the sixth to eleventh defendants were for some reason removed from these proceedings, the claims against the RCB defendants based on the same allegations can still be dealt with here.
43. I will now consider the jurisdiction of the court in relation to the sixth defendant and the eight to tenth defendants and possibly the eleventh defendant. The court has given the permission to serve these defendants out of the jurisdiction. The sixth defendant



and the eighth to tenth defendants have not challenged the jurisdiction. I leave the position open as to the eleventh defendant.

44. The RCB defendants are not entitled to make an application to the court on behalf of these foreign defendants in order to put forward a challenge to jurisdiction which the foreign defendants could have made but have not in fact made. Accordingly, on the face of it, the sixth defendant and the eighth to tenth defendants and possibly the eleventh defendant will continue to be defendants in these proceedings.
45. I explained earlier that it is still possible for the seventh defendant to apply to set aside the permission to serve the proceedings on it. If that application is made, it will be considered in accordance with the usual principles. It was not submitted to me on the present application that the claimants would not be able to show a good arguable case against the seventh defendant. It was not submitted that the claimants could not establish a gateway for jurisdiction. In this case, gateway 3 has been relied upon. What the RCB defendants did submit was that the seventh defendant would have a strong case on *forum non conveniens*.
46. An application by the seventh defendant based on *forum non conveniens* will be dealt with if and when it is made. If and when it is made, the court will have the submissions of the seventh defendant and the rival submissions of the claimants. The matter will be decided on the basis of those submissions at that time. The only thing I need to say at present is the possibility that the seventh defendant might succeed on forum grounds does not necessarily show that the claimants' action in proceeding against the seventh defendant is an abuse of the process of the court.
47. Having expressed these views, I can now address two of the orders which are sought by the RCB defendants in the alternative to their claim based on alleged abuse of process. The RCB defendants seek a stay of the claims against the sixth to eleventh defendants and they also seek a stay of the claims against the first to fifth defendants, where those defendants are alleged to be jointly or severally liable with the sixth to eleventh defendants. The grounds put forward are non-justiciability and/or *forum non conveniens*. For the reasons given above, it would not be right to grant any stay on those grounds on the application of the RCB defendants.
48. Having reached those conclusions on the issues of jurisdiction which have been argued, I can now move to the more fundamental challenge made by the RCB defendants, which is that if one has regard to a number of features of this litigation, including the complications, if that is what they are, as to jurisdiction, the court should hold that these proceedings are an abuse of the process of the court.
49. The RCB defendants say that if the court is persuaded that some part of these proceedings is an abuse of the process of the court, the right response is to strike out the entirety of the claim against the sixth to eleventh defendants and then go on to strike out the claim against the first to fifth defendants, insofar as it is alleged that they are jointly and severally liable with the sixth to eleventh defendants. Following striking out in that way, the claim remaining in this jurisdiction would be against the first to fifth defendants only and would be in relation to the UK and EU marks only.

50. Although Mr. Howe's initial submissions placed considerable weight on the suggested inappropriateness of the claimants suing the RCB defendants' distributors or persons in a similar position, such as the sixth to eleventh defendants, it became clear in the course of the argument that he was not going so far as asking me to hold that it was inappropriate for the claimants to sue the sixth to eleventh defendants. Instead, what Mr. Howe complained about was that the claimants were suing the sixth to eleventh defendants in this jurisdiction, rather than in various foreign jurisdictions. Thus, if I were to hold that the present proceedings were in part an abuse of process, a possible result which would not involve, in Mr. Howe's submission, anything inappropriate on the part of the claimants, would be for the claimants to sue the first to fifth defendants here for infringement of the UK and EU mark, and then bring separate proceedings in the five foreign jurisdictions.
51. Taking the case of Panama as an example, the possibility would be that the claimants would sue the sixth defendant in Panama for breach of the Panamanian registration. It seemed to be contemplated that it would be open to the claimants to join the RCB defendants and possibly the fourth and fifth defendants with the sixth defendant in Panama and have that matter litigated there. It also seemed to be contemplated that it would be open to the claimants to allege against the first to fifth defendants and the sixth defendant in Panama that there had been a conspiracy in London by those defendants to injure the claimants.
52. It could be seen at once that if the claimants were constrained to act in that way and sue defendants in five foreign countries, the matter would be less convenient for the claimants, although Mr. Howe submits it would be more convenient for the sixth to eleventh defendants. I am not sure where the balance of convenience would lie as regards the first to fifth defendants, comparing their position of being sued here with their position of being sued here and in addition in five foreign countries. Further, I note that I do not have the views of the sixth to eleventh defendants on these various possibilities.
53. Before considering the particular submissions put forward as to why I should regard this case as an abuse of process, I need to identify the legal principles which I should apply.
54. Mr. Howe cited the case of *Attorney General v Barker*, a decision of the Divisional Court of the Queens Bench Division on 16th February 2000, which appears to be unreported. The circumstances of that case are very far from the circumstances of the present case. It was an application by the Attorney General to have Mr. Barker made the subject of a Civil Proceedings Order under Section 42 of the Supreme Court Act 1981. In short, it was being argued that Mr. Barker was a vexatious litigant.
55. At paragraph 19 of his judgment Lord Bingham, the Lord Chief Justice, defined what it was meant by the word "vexatious". He said:

"Vexatious' is a familiar term in legal parlance. The hallmark of a vexatious proceeding is in my judgment that it has little or no basis in law (or at least no discernible basis); that whatever the intention of the proceeding may be, its effect is to subject the defendant to inconvenience, harassment and expense out of all proportion to any gain likely to accrue to the claimant; and

that it involves an abuse of the process of the court, meaning by that a use of the court process for a purpose or in a way which is significantly different from the ordinary and proper use of the court process."

56. Mr. Howe relied in particular on the part of that passage which refers to what is an abuse of the process of the court. As a general statement, that was not controverted by the claimants.
57. A more useful starting place for the purpose of identifying what is a relevant abuse of the process in a case like the present is the decision of Teare J in *JSC BTA Bank v Ablyazov (No 6)* [2011] 1 WLR 2996. His judgment contains a helpful and detailed review of earlier authority. He set out a passage from the judgment of Simon Brown LJ in *Broxton v McClelland* [1995] EMLR 485. The passage is at pages 497 to 498 and is quoted in paragraph 10 of Teare J's judgment. I will read the passage which is quoted in paragraph 10. It states as follows:

"(1) Motive and intention as such are irrelevant (save only where 'malice' is a relevant plea): The fact that a party who asserts a legal right is activated by feelings of personal animosity, vindictiveness or general antagonism towards his opponent is nothing to the point. As was said by Glass JA in *Champtaloup v Thomas* (1976) 2 NSWLR 264, 271 (see *Rajski v Baynton* (1990) 22 NSWLR 125 at p 134):

"To impose the further requirement that the donee [of a legal right] must be actuated by a legitimate purpose, thus forcing a judicial trek through the quagmire of mixed motives would be, in my opinion, a dangerous and needless innovation.

"(2) Accordingly the institution of proceedings with an ulterior motive is not of itself enough to constitute an abuse: An action is only that if the Court's processes are being misused to achieve something not properly available to the plaintiff in the course of properly conducted proceedings. The cases appear to suggest two distinct categories of such misuse of process:

"(i) The achievement of a collateral advantage beyond the proper scope of the action - a classic instance was *Grainger v Hill* where the proceedings of which complaint was made had been designed quite improperly to secure for the claimants a ship's register to which they had no legitimate claim whatever. The difficulty in deciding where precisely falls the boundary of such impermissible collateral advantage is addressed in Bridge LJ's judgment in *Goldsmith v Sperrings Limited* at page 503 D/H.

"(ii) The conduct of the proceedings themselves not so as to vindicate a right but rather in a manner designed to cause the defendant problems of expense, harassment, commercial

prejudice or the like beyond those ordinarily encountered in the course of properly conducted litigation.

"(3) Only in the most clear and obvious case will it be appropriate upon preliminary application to strike out proceedings as an abuse of process so as to prevent a plaintiff from bringing an apparently proper cause of action to trial."

58. In *Ablyazov (No 6)* itself Mr. Justice Teare set out his own conclusions at paragraph 22 in the following terms:

"My conclusions from this review of the authorities are as follows:

"(i) There are two recognised types of abuse of process based upon collateral purpose, namely, those identified by Simon Brown LJ in *Broxton v McClelland*. The first limb, seeking a collateral advantage beyond the proper scope of the action, is relevant to this case. However, as Moore-Bick LJ observed in *Land Securities v Fladgate Fielder* at paragraph 77:

"The circumstances in which the court will regard conduct as amounting to an abuse of process are not narrowly defined, nor should they be. Although certain types of abuse are well recognised, it is necessary for the courts to have the power to control their own proceedings and to prevent abuse, whatever guise it may take.'

"(ii) In the light of the approval given to Bridge LJ's guidance in *Goldsmith v Sperrings* both by Simon Brown LJ in *Broxton v McClelland* and by Etherton LJ in *Land Securities v Fladgate Fielder* as to when a purpose will be 'sufficiently collateral' to amount to an illegitimate purpose I consider that I should follow that guidance. Thus no object which a claimant may seek to obtain can be condemned as a collateral advantage if it is reasonably related to the provision of some form of redress for that grievance. I consider that I should also be guided by the comment of Simon Brown LJ in *Broxton v McClelland* that 'a plaintiff is entitled to seek the defendants financial ruin if that will be the consequence of properly prosecuting a legitimate claim.' That comment indicates that a purpose will not be regarded as illegitimate if it is no more than the natural consequence of the action succeeding.

"(iii) Where a claimant has two purposes for commencing proceedings, one legitimate and the other sufficiently collateral as to be illegitimate, the question arises whether the commencement of those proceedings in those circumstances is an abuse of process. In the light of *Metall und Rohstoff AG v Donaldson Lufkin & Jenrette Inc*. It is of course arguable that the commencement will be an abuse if the illegitimate purpose is the claimant's predominant purpose. However, that question

was not, it seems, at issue in that case and therefore I am persuaded that I should not regard that case as a binding authority on that question. It is also arguable that the commencement of proceedings will not be an abuse of process if one of the purposes is legitimate in the light of the approach or indication of Bridge LJ in *Goldsmith v Sperrings*. However, Bridge LJ also did not decide the point and so his approach or indication is also not binding upon me.

"(iv) I must therefore decide which approach I prefer. I consider that I should adopt the approach or indication of Bridge LJ, for these reasons:

"(a) If one of two purposes is legitimate it seems to me right in principle that the claimant should be entitled to proceed with his claim.

"(b) It avoids the need to embark upon the difficult exercise of establishing which of two purposes is the claimant's predominant purpose.

"(c) The approach of Bridge LJ has been commended by both Simon Brown LJ in *Broxton v McClelland* and by Etherton LJ in *Land Securities v Fladgate Fielder*.

"(d) The approach of Nourse LJ in *Re Ross (A Bankrupt) No.2* is consistent with the approach of Bridge LJ."

59. The decision in *Ablyazov (Noumber 6)* was referred to with approval by Floyd LJ in *Optaglio Limited v Tethal* [2015] EWCA Civ 1002. The decision in *Ablyazov (No 6)* is that if the claimants in this case have an object in bringing their proceedings in the form in which they bring them, which object is legitimate, the proceedings will not be held to be an abuse of process, even if the claimants have other objects in bringing their claim, which are not separately to be considered as legitimate objects. It is also clear from the authorities that it will only be in the most clear and obvious case that it is appropriate to strike out proceedings on the ground of abuse of process.
60. Mr. Howe did not make any submissions as to how these principles applied in this case. What he did instead was to take me to two decisions at first instance. They were *Landi den Hartog v Sea Bird* [1976] FSR 489 and *Essex Electric (Pte) Ltd v IPC Computers* [1991] FSR 690.
61. In *Landi den Hartog v Sea Bird*, a party submitted that litigation was being conducted to harass Landi and its distributors and customers. The judge made an order which restrained the other party from suing customers of Landi without prior permission from the court. The judge recorded that there was no issue before him as to his jurisdiction to make such an order.
62. In *Essex Electric* the judge held that there was jurisdiction to restrain, either completely or partially, the commencement of proceedings which the court would regard as an abuse of its process. He went on to hold that there was likewise

jurisdiction to restrain the making of threats to commence proceedings. In the *Essex Electric* case, the judge went on to make an order similar to that made in the *Landi* case. It is clear from the judgment in the *Essex Electric* case that the judge approached the application before him as an application for interim relief, so that applying the approach in *American Cyanamid v Limited Ethicon Limited*, it was open to the judge to make such an order if he concluded that there was a serious issue to be tried as to whether the threatened claims would be an abuse of process.

63. In the case before me the RCB defendants do not seek interim relief. They seek to strike out parts of the proceedings or to have a permanent stay of those parts. I consider that *Landi* and *Essex Electric* do not offer any real guidance as to the principles to be applied in such a case. They certainly do not contain principles which I should apply here in preference to those clearly stated in the other cases to which I have referred. I remain of the view that I must ask myself whether the RCB defendants have clearly demonstrated that the claimants do not have any legitimate object in bringing these proceedings in the form in which they have brought them.
64. I heard detailed submissions in support of the contention that the form of these proceedings is an abuse of process and I heard detailed submissions in response. What Mr. Howe says on behalf of the RCB defendants is as follows: he submits that the claim and the way in which it has been advanced in a number of respects goes beyond what is reasonable, necessary or appropriate for the legitimate vindication of C's claimed rights. He says that the inference must be that the claim has been framed in order to cause maximum damage and disruption to the first defendant's business and to its relationship with customers, potential customers and others, rather than being a claim brought in the bona fide pursuit of the claimants' trade mark rights. He asked me to take the view that what the claimants seek to do is to involve so many parties, from all over the world, in a potentially expensive action in a foreign court, this court, and for the inclusion of apparently baseless and unsupported allegations as to conspiracy to injure.
65. That being the case Mr. Howe invites me to infer that the claims against the sixth to eleventh defendants is simply harassment of the non-EU defendants, causing damage to their relationship with the first defendant, rather than a genuine assertion of a proper claim against those parties. Mr. Howe relies heavily on his argument as to *forum non conveniens* as support of these allegations of abuse of process. He developed his argument as to *forum non conveniens* in detail.
66. I will summarise the principal points on which he relied as to *forum*. He referred to the decision in *Lucasfilm v Ainsworth* to which I have already referred. He stated that so far as those advising the RCB defendants were aware, there had not been a claim for infringement of a foreign intellectual property right tried in the English courts since *Lucasfilm*, except patent actions where there was a European patent in force both in the UK and in other countries, or a claim in relation to EU harmonised rights within the EU.
67. He suggested to me that I should look with some suspicion at the claim in this case, where the claimant is seeking to claim relief for infringement in five non-EU countries. He developed his submission by referring to specific disadvantages, certainly for the sixth to eleventh defendants, of proceedings being brought here against them.

68. His first point was that the law to be applied would be the law of the country of the alleged infringement; there were five such countries with five different systems of law. Those systems are of law are not harmonised although they may have concepts which are common or similar.
69. Further, in support of that submission, he stressed that questions of trade mark infringement involve factual matters as to the operation of the different national markets. So it would be necessary for those circumstances to be put in evidence in litigation here, and an English court may be less able to understand that evidence, as compared with an English court taking judicial notice of how things operate in the market in this jurisdiction. Further, dealing with these evidential matters at a trial in England would significantly and necessarily raise the cost, length and complexity of the trial.
70. Mr. Howe then made the point that the non-EU defendants will probably wish to rely on witnesses from their home countries; there would be factual witnesses and expert witnesses, including expert witnesses as to the foreign law.
71. The third point Mr. Howe made is that this court did not have jurisdiction to determine a direct challenge to the validity of a foreign mark. I have already dealt with that point to the extent that it can be dealt with at this stage. Mr. Howe made the point that I should look askance at the claimants for bringing proceedings in the present form, when they must have known and certainly ought today to appreciate that they are going to create difficulties for themselves if a defendant were to raise a challenge to the validity of a foreign mark.
72. The next point was that there was a question, to which no one offered me an answer, as to whether a judgment here against one of the non-EU defendants would be recognised or enforceable in the country of that defendant. Mr. Howe did not submit that such a judgment would not be recognised or enforceable, although he did suggest it might not be.
73. Mr. Edenborough, if I refer to his submissions on this particular point, submitted that the prima facie position is that the judgment would be recognised and enforceable. I think the only conclusion I can reach on the material before me is that I do not know the answer to the question raised by Mr. Howe.
74. The next matter raised by Mr. Howe on the question of *forum* was that there would be an overlap between issues tried here as to infringement of non-EU marks and proceedings in the local trade mark registries of the relevant countries. Mr. Howe submitted that those matters would be best avoided by having all litigation about a non-EU mark conducted in the country of the mark.
75. Apart from these submissions as to *forum*, Mr. Howe made some general comments on the claimants' behaviour as he would have it. He submitted that the claimants had behaved in an aggressive way; he submitted that they had sued defendants indiscriminately; he complained that the claimants had sued the second and third defendants in addition to the first defendant, and the fifth defendant in addition to the fourth defendant. Indeed, he complained that the claimants had sued the fourth defendant in addition to the first defendant. He drew my attention to a letter of 30th August 2018, where there was an apparent threat to sue the Chilean defendant in

Chile but yet at this hearing the claimants said they did not currently intend to sue the Chilean defendant in Chile.

76. It can be seen that the submissions made as to an abuse of the process of the court are heavily dependant on considerations as to forum, which is of course an issue which is available to be raised in a challenge to jurisdiction. What Mr. Howe is doing is taking points which are available to the sixth to eleventh defendants if they were to challenge jurisdiction, and running the same points under the new heading of abuse of process.
77. The first to third defendants, the RCB defendants, cannot themselves bring a challenge to jurisdiction on behalf of the sixth to eleventh defendants, so they are instead contending that what is happening here allows them to have the sixth to eleventh defendants removed, not strictly as a challenge to jurisdiction, but instead in support of an allegation that there is an abuse of process.
78. On the other side of the argument, Mr. Edenborough took me through the claims which were made and explained what they depended upon. He took me to the relief sought and explained why he said the claimants wanted to obtain that relief. He submitted that the relief itself showed that the claimants wanted injunctions to stop infringement here and abroad; they wanted to stop infringement by the first and fifth defendants and also by the sixth to eleventh defendants; they wanted damages and an account of profits. He stressed that an account of profits in relation to the profits of the sixth to eleventh defendants would be something worthwhile in addition to such an order in relation to the different profits of the first to fifth defendants. Mr. Howe submitted that it was not usual for claimants to ask for an account of profits for trade mark infringement, but it is not obviously an abuse of process to seek such an order in a pleading at this stage in the proceedings and to see what develops.
79. I have already summarised the claims which have been made in the detailed particulars of claim. Mr. Edenborough said that I should take the view that the claims were legitimate claims, brought with a legitimate purpose of obtaining the relief sought, because that relief would obviously be of benefit to the claimants.
80. There is a witness statement on behalf of the claimants saying that they regard the claim as legitimate, but that perhaps does not add very much to what one would make of the claim, looking at it as to the detail of the matters put forward.
81. Mr. Edenborough also addressed the arguments as to forum and as to jurisdiction. The main point made by Mr. Edenborough is that the claimants are suing and are entitled to sue the first five defendants not only for infringement of the UK and EU marks but also for the involvement of the first five defendants in infringements of non-EU marks in other countries. That being so and in view of gateway 3, this is a case Mr. Edenborough submitted, where, on forum, the court would be likely to take the view that it was appropriate to join the sixth to eleventh defendants so that the facts and law and arguments as to infringement of non-EU marks would be investigated not only as regards the first five defendant bus also as regards the non-EU defendants. I am not going to, because I do not need to come to, a final conclusion on which argument would prevail if one of the sixth to eleventh defendants were to apply to set aside service out of the jurisdiction on that defendant.



82. Instead, I can come to my conclusions on the argument that the form of these proceedings is an abuse of the process of the court. My conclusion is that the claimants have a legitimate object in bringing these proceedings in the form in which they have brought them. It is convenient to the claimants to bring one set of proceedings against 11 defendants, rather than to bring proceedings here against five defendants and then start five other proceedings in other jurisdictions.
83. As the argument proceeded, it became clear that it is not being said it is unacceptable harassment to sue the sixth to eleventh defendants somewhere. Mr. Howe did not object to the claimants suing those defendants in their own jurisdictions. It follows that this is not said to be a case where a claimant is said to be proceedings against a customer for the sole reason of putting pressure on another person with whom the claimant is in dispute. As I see it, although the application has been put under the heading "abuse of process" the real issue is about jurisdiction. There are established rules about jurisdiction, which would be applied in this case if there had been or if there is to be an objection to jurisdiction by the sixth to eleventh defendants. The application of those rules would determine whether the claimants can do what they wished to do or whether they will be prevented from suing the sixth to eleventh defendants here. The claimants say that it suits them to sue all of the defendants here and they will contest any challenge to jurisdiction. I do not think it can be said that the claimants are abusing the jurisdiction of the court by having preferences as to forum in the way in which they bring their proceedings.
84. If the jurisdiction arguments were to be considered in the usual way and the claimants were to succeed, then it could not be said that these proceedings are an abuse of process. Further if the challenge to jurisdiction were to succeed and one of the non-EU defendants were to be removed from the claim, it would simply not follow that the proceedings had been an abuse of process. It is not unusual for a claimant to lose when a jurisdiction challenge is made. That does not automatically, or anything like automatically, lead to the conclusion that the attempt to bring a foreign defendant to this court is an abuse of process.
85. As to the wider arguments of the RCB defendants that the claimants have behaved in an aggressive or inappropriate way, I do not think that the claimants' behaviour is exceptional; at any rate not so exceptional as to suggest to me that the claimants do not genuinely want to obtain the relief which they claim in these proceedings.
86. At the very lowest, what I can say is that the RCB defendants have not come anywhere near demonstrating that this is a clear and obvious case of abuse of process; in particular, a clear and obvious case that the claimants have no legitimate object in bringing these proceedings in the form in which they have been brought. The result of this reasoning is that I will dismiss the application by the RCB defendants.
87. I will now deal with the application for summary judgment or a strike out made by the claimants. As I explained, although the application relates to the entirety of the counterclaim, I heard submissions in relation to two matters in particular and at the end of this judgment I will mention a third matter.
88. The first issue I will consider is the allegation contained in paragraphs 58 and 59 of the counterclaim of the RCB defendants. Those paragraphs read, and I quote:

"58. On 24th July 2018, the claimants, through their solicitors Brandsmiths, sent letters in substantially similar terms to each of the second, third, fourth and fifth defendants, containing threats of proceedings for trade mark infringement in respect of acts and activities done or intended to be done by them within the United Kingdom. The sending of those letters constituted actionable threats within the meaning of Section 21A of the Trade Marks Act 1994.

"59. The making of those threats was calculated to cause material damage to the club by interfering in the relationship between the club and those persons and by deterring those persons and others from continuing to deal with the club or from dealing with it in future."

89. The claimant's defence to that counterclaim is at paragraphs 6, 7 and 8 of the defence to counterclaim. I will read those paragraphs:

"6. The first sentence of paragraph 58 is admitted.

"7. The second sentence of paragraph 58 is denied.

"7.1 the claim form in these proceedings was issued on 25th June 2018. The letters of 24th July 2018 alleged to contain threats ('the letters') were sent after the issue of these proceedings and therefore cannot have contained a 'threat of infringement proceedings' as that term is defined in Section 21 of the Act. In particular, because those letters did not and could not have indicated that the claimants or any person intended to commence proceedings in the future as those proceedings have already been commenced.

"7.2, D2, D3, D4 and D5 are each persons who have or who intend to apply or to cause another person to apply the signs to goods or their packaging.

"7.3, the acts of which complaint was made in the letters constitute or if done would constitute an infringement of the EUTMs and each or some of them and/or the UK mark.

"8. Paragraph 59 is denied.

"8.1 in the premises no threats were made.

"8.2. The letters were intended to prevent further unlawful acts or threats of the same by D2, D3, D4 and D5.

"8.3. No damage whether material or otherwise is caused to D1 by those letters seeking to be a stop to unlawful acts including unlawful acts that it has conspired to undertake."

90. I was shown the letter of 24th July 2018. As I read paragraph 6 of the defence to counterclaim, the first sentence of paragraph 58 of the counterclaim is admitted. As I read that first sentence, the allegation is that the letters contained threats of proceedings for trade mark infringement. However, elsewhere in the defence to counterclaim, it is said that the letters did not contain a threat of infringement proceedings. That may be because of the point which I will address to the effect that proceedings had been issued before the date of the letters.
91. I am not completely clear whether the claimants are admitting that the form and content of the letters (considered on their own) contained a threat of trade mark infringement, in particular, whether there was a threat that future proceedings would be brought. I will deal with the matter without making any assumptions as to whether there has been an admission. The parties made submissions to me about the contents of the letter. I need not set out the letter in this judgment, because the position is really quite clear. As I read the letter, it is a communication where a reasonable person in the position of a recipient would understand from the communication that the sender of the letter intends to bring proceedings for trade mark infringement. In those circumstances, the real point I am asked to consider is the point pleaded in paragraph 7.1 of the defence to counterclaim. That pleads a matter of fact, which is not in dispute, which is that the present proceedings which I have described were issued on the 25th June 2018, and the letter which is complained of was sent about a month later on 24th July 2018.
92. It is also not in dispute that when the proceedings were issued they were not served, so that the recipients of the letters were not aware that these proceedings had been issued. The recipients of the letters, or some of them, only became aware that these proceedings had been issued when the claimants' solicitors sent a further letter on 3rd August 2018. If the letter sent on the 24th July 2018 was a threat of infringement proceedings, then it remained a threat of infringement proceedings from the time it was sent until possibly matters were superseded by the letter of 3rd August 2018. The question is whether the fact of issue of these proceedings at an earlier date, unknown to the recipient of the letter, has the consequence that the letter is not a threat within section 21 of the Trade Marks Act 1994 as amended by section 2 of the Intellectual Property (Unjustified Threats) Act 2017.
93. I need to refer to the predecessor section 21 of the Trade Marks Act 1994 in view of certain submissions made to me as to how the law was described by the Law Commission in its consultation paper and its report, which preceded the enactment of the 2017 Act. The previous section so far as relevant was section 21(1) that provided:
- "(1) Where a person threatens another with proceedings for infringement of a registered trade mark other than—
- "(a) the application of the mark to goods or their packaging,
- "(b) the importation of goods to which, or to the packaging of which, the mark has been applied, or
- "(c) the supply of services under the mark "any person aggrieved may bring proceedings for relief under this section."

94. The key wording is "a person threatens another with proceedings for infringement of a registered trade mark."
95. The general understanding has always been that that wording in the pre-existing section 21(1) referred to a threat to bring proceedings at a time after the time of the threat. Thus, if a person issued proceedings for alleged trade mark infringement and notified the defendant of those proceedings, whether that was by service of the proceedings or in some other way, that the proceedings had been brought, that was not a threat to bring proceedings at a time after the time of the threat. There are a number of passages in the Law Commission consultation paper and report which proceed on that basis. The Law Commission considered the consequences of that being the law.
96. Mr. Edenborough submitted to me that the discussion in the Law Commission consultation paper and report was not confined to the example I have mentioned, where a person issue proceedings and then notifies the defendants of that fact. He submitted that the discussion in the consultation paper and report extended to a case like the present which is as follows: (1) a person issues proceedings for trade mark infringement; (2) the defendant to those proceedings does not know that proceedings have been issued, and (3) the claimant in the proceedings then writes to the defendant not referring to the proceedings which have been issued, but in terms which on their true construction make a threat to bring future proceedings. I cannot read the discussion in the Law Commission consultation paper and report as dealing with the specific type of case to which I have referred, which happens to be the facts of the present case. The general discussion in the consultation paper and report are there for the purpose of making a completely different distinction. That is a distinction between a threat to bring future proceedings and the statement that there are current proceedings.
97. Having cleared away the suggestion that the Law Commission consultation paper and report assist me in some way with the construction of the original section 21(1) and the new section 21 as amended in 2017, I can now read the new section 21 in these terms:
- "(1) A communication contains a 'threat of infringement proceedings' if a reasonable person in the position of a recipient would understand from the communication that—
- "(a) a registered trade mark exists, and
- "(b) a person intends to bring proceedings (whether in a court in the United Kingdom or elsewhere) against another person for infringement of the registered trade mark by—
- "(i) an act done in the United Kingdom, or
- "(ii) an act which, if done, would be done in the United Kingdom.
- "(2) References in this section and in section 21C to a 'recipient' include, in the case of a communication directed to

the public or a section of the public, references to a person to whom the communication is directed."

98. Section 21 as amended in 2017 is now supplemented by further detailed provisions and sections 21A to 21F. Neither party suggested to me there was anything in sections 21A to 21F which threw light upon the interpretation of section 21 for the purposes of the present issue.
99. I have already held that the letter of 24th July 2018, if standing alone, comes within the definition of "threat of infringement proceedings" in section 21. There is nothing in section 21 or anywhere else which says that a document which otherwise comes within this definition is taken out of the definition if as a matter of fact there are in existence proceedings which have been issued. None of the words of section 21 have the effect of providing that the claim could be defended by showing the proceedings have already been issued.
100. At the hearing, there was some discussion of a hypothetical situation where a letter was sent in terms which came within section 21 but the recipient of the letter knew that proceedings had already been issued. It is not necessary to consider that possibility in any detail in this judgment. If that example were to arise and did need to be dealt with, one question would be what weight one gives to the words "understand from the communication" which would appear not to allow one to take into account the knowledge that proceedings had been issued, and conversely what attention would be given to the phrase "in the position of a recipient". One would ask whether those words allowed one to take into account the knowledge of a recipient that proceedings had been issued. I can see that in some circumstances, it would be arguable that if a recipient actually knew that proceedings had been issued, that would change his understanding of the communication. I can see that it might be arguable that a threat of future proceedings in the communication might be disregarded in light of the fact, known to the recipient that proceedings had been issued.
101. Saying something is arguable in possible other circumstances does not detract in any way from my conclusion, which is that the letter in this case comes fairly within section 21 of the Act, and the contention pleaded in paragraph 7.1 of the defence to counterclaim does not provide any defence to the claim. The application before me is by the claimants for summary judgment in their favour on this point. As I have concluded that the claimants are wrong on this point, I will not grant them the summary judgment which they seek.
102. The next issue which I need to deal with and which is also the subject of the application for summary judgment is the matter pleaded at paragraphs 53-57 of the counterclaim. I will read those paragraphs as follows:

"53. The claimants do not operate and have never operated a Polo club in Beverley hills or at all.

"54. No Polo club named 'Beverley Hills Polo Club' exists or has ever existed.

"55. The EU TMs and the UK mark comprise the words 'Beverley Hills Polo Club', which will be wrongly understood

by members of the public in the EU and the UK to refer to a genuine Polo club that exists in Beverley Hills.

"56. The EU TMs and the UK mark are therefore marks of such a nature as to deceive the public and were registered contrary to Article 7(1)(g) of the regulation and section 33B of the Act.

"57. In the premises the EU TMs and the UK mark are liable to be declared invalid under Article 59(1)(a) of the regulation and section 47(1) of the Act."

103. That pleading tells one something about the claimant's mark. However, in case it is helpful, I will give a further brief description of the mark. The mark includes an illustration of a polo player riding a horse. The polo player is holding a polo mallet and indeed is swinging it above his head. The mark contains the words "Beverley Hills Polo Club". The words "Beverley Hills" appear above the illustration and the words "Polo Club" appear below the illustration.
104. The pleading refers to the EU Trade Mark Regulation 2017 and the Trade Marks Act 1994. The authorities, to which I was referred, also refer to the relevant EU Trade Mark Directive, where the relevant provision is Article 3(1)(g). These provisions are in the same terms. If I take the provision from the Trade Marks Act 1994 it is in section 3(3)(b), which provides:

"(3) A trade mark shall not be registered if it is...(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service)."
105. For the purposes of the claimant's application for summary judgment or a strike out, I am asked to proceed on the basis that the facts pleaded in the relevant paragraphs of the counterclaim are true. Mr. Edenborough submitted that the claimants' marks serve the proper purpose of a mark, which is to guarantee that the goods bearing that mark have a common origin. He says that the marks do not make any representation or contain any information as to the nature or quality of the goods and, accordingly, the mark cannot be said to be deceptive in such a respect. Mr. Howe pointed out that section 3(3)(b) refers to deception as to the geographical origin of the goods. However, on my reading of the counterclaim there is no pleading that the mark contains a statement that the geographical origin of the goods is Beverley Hills or California or even the United States. Indeed, although it is strictly not for me, I would be somewhat surprised if the mark could be interpreted as containing that information, quite apart from the point of law which I will go on to discuss.
106. Mr. Howe also made the point, which is correct, that the reference in the subsection to the nature of quality or geographical origin of the goods are only examples of deception and are not an exhaustive statement of what can be a deception in a mark.
107. As to the relevant legal principles, Mr. Edenborough relies on the decision of the Court of Justice in *Emanuel v Continental Shelf 128 Limited* [2006] ETMR 56. I will read part of the head note:

"In 1990 Ms Emanuel, a well-known designer of wedding wear, began trading under the name 'Elizabeth Emanuel'. "In 1996, together with a company called Hamlet International Plc, Ms Emanuel formed a company called Elizabeth Emanuel Plc ('EE Plc'). Ms Emanuel assigned to EE Plc her business of designing and selling clothing, all aspects of the business including its goodwill and an application to register the trade mark 'Elizabeth Emanuel' which was registered in 1997. In September 1997 Elizabeth Emmanuel Plc assigned its business goodwill and the register of trade mark to Frostprint Limited which immediately changed its name to Elizabeth Emmanuel International. That company employed Miss Emmanuel for the brief period of one month, after which she left that company and had no further connection with it. In November 1997, Elizabeth Emmanuel International assigned the registered trade mark to another company, Oakridge Trading which applied on 18th January 1998 to register a further trade mark, ELIZABETH EMMANUEL. In January 1999, Miss Emmanuel filed a notice of opposition to that application and in September 1999 she lodged an application to revoke the registered trade mark ELIZABETH EMMANUEL."

108. The opposition and the application for revocation were both heard at first instance by a hearing officer of the UK Trade Mark Registry, who dismissed both claims in October 2002 on the ground that, while the public had indeed been deceived and confused into believing that Miss Emmanuel was associated with the business that used her name as a trade mark, any such deception and confusion was lawful if it:

"(i) had not been induced by the trade mark owner and;

"(ii) was the inevitable consequence of the sale of the business and goodwill previously conducted under the name of the original owner."

109. The headnote goes on to state that Miss Emmanuel appealed against that decision to the Lord Chancellor's Appointed Person, who referred four questions to the Court of Justice. It is sufficient to read the first question which is in these terms:

"Is a trade mark of such a nature as to deceive the public and prohibited from registration under Article 3(1)(g) [of Directive 89/104] in the following circumstances:

"(a) the goodwill associated with the trade mark has been assigned together with the business of making the goods to which the mark relates;

"(b) prior to the assignment the trade mark indicated to a significant proportion of the relevant public that a particular person was involved in the design or creation of the goods in relation to which it was used;

“(c) after the assignment an application was made by the assignee to register the trade mark; and

(d) at the time of the application a significant portion of the relevant public wrongly believed that use of the trade mark indicated that the particular person was still involved in the design or creation of the goods in relation to which the mark was used, and this belief was likely to affect the purchasing behaviour of that part of the public?”

110. The headnote sets out the findings of the court. I will read finding (4) in these terms:

"The questions referred to the court by the appointed person should be answered as follows:

“(i) a trade mark corresponding to the name of the designer and first manufacturer of the goods bearing that mark may not, by reason of that particular feature alone, be refused registration on the ground that it would deceive the public within the meaning of Article 3(1)(g) of Council Directive 89/104 to approximate the laws of the Member States relating to trade marks, in particular where the goodwill associated with that trade mark previously registered in a different graphic form has been assigned, together with the business making the goods to which the mark relates;

“(ii) a trade mark corresponding to the name of the designer and first manufacturer of the goods bearing that mark is not by reason of that particular feature alone liable to revocation on the ground that the mark would mislead the public within the meaning of article 12(2)(b) of Directive 89/104, in particular where the goodwill associated with that mark has been assigned together with the business making the goods to which the mark relates."

111. The report sets out the opinion of the Advocate General and also the judgment of the court. I will not read out substantial parts of the judgment, but it should be noted that the court set out observations made to it by the Commission of the European Communities at paragraphs 37 to 41 of the judgment, and the Commission's observations included observations as to the function of a trade mark being to guarantee the identity of origin of the mark, goods or services to the consumer or end user by enabling him without any possibility of confusion to distinguish the goods or services from others which have a different origin.

112. The Commission's observations also made the point that the function of a trade mark does not mean that the consumer should be able to identify the manufacturer from the trade mark, but instead the trade mark serves as a guarantee that the goods were placed on the market with the consent of its proprietor.



113. The findings of the court include the important passage at paragraphs 44-50 which I will read:

"As the Commission pointed out, for the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish and maintain, it must offer a guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality (see, in particular, *Arsenal Football Club*, paragraph 48).

"45. A trade mark such as 'ELIZABETH EMANUEL' may have that function of distinguishing the goods manufactured by an undertaking, particularly where that trade mark has been assigned to that undertaking and the undertaking manufactures the same type of goods as those which initially bore the trade mark in question.

"46. However, in the case of a trade mark corresponding to the name of a person, the public interest ground which justifies the prohibition laid down by Article 3(1)(g) of Directive 89/104 to register a trade mark which is liable to deceive the public, namely consumer protection, must raise the question of the risk of confusion which such a trade mark may engender in the mind of the average consumer, especially where the person to whose name the mark corresponds originally personified the goods bearing that mark.

"47. Nevertheless, the circumstances for refusing registration referred to in Article 3(1)(g) of Directive 89/104 presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (*Case C-87/97 Consorzio per la tutela del formaggio Gorgonzola* [1999] ECR I-1301, paragraph 41).

"48. In the present case, even if the average consumer might be influenced in his act of purchasing a garment bearing the trade mark 'ELIZABETH EMANUEL' by imagining that the appellant in the main proceedings was involved in the design of that garment, the characteristics and the qualities of that garment remain guaranteed by the undertaking which owns the trade mark.

"49. Consequently, the name Elizabeth Emanuel cannot be regarded in itself as being of such a nature as to deceive the public as to the nature, quality or geographical origin of the product it designates.

"50. On the other hand, it would be for the national court to determine whether or not, in the presentation of the trade mark 'ELIZABETH EMANUEL' there is an intention

on the part of the undertaking which lodged the application to register that mark to make the consumer believe that Ms Emanuel is still the designer of the goods bearing the mark or that she is involved in their design. In that case there would be conduct which might be held to be fraudulent but which could not be analysed as deception for the purposes of Article 3 of Directive 89/104 and which, for that reason, would not affect the trade mark itself and, consequently, its prospects of being registered."

114. It seems to me that the important matters for present purposes are what is said by the court in paragraph 48 and in the last sentence of paragraph 50 of the judgment.
115. I also add the comment that, although the facts of the *Emmanuel* case involved a sale of a business and indeed an assignment of the registered mark, that is not central to the reasoning to which I refer. Accordingly, this reasoning applies in the present case, even though the facts of the present case do not involve the sale of a business and the assignment of a mark.
116. Mr. Edenborough submits that in order for there to be a relevant deception the deception must reside in the mark itself. He submitted that the mark in this case contains, so far as relevant, the information that goods bearing that mark originate from a single trade source identifying itself as Beverley Hills Polo club. He submitted the name used in a mark need not be the name of something or someone which exists. If the name is the same as something or someone which exists, the mark does not contain any information as to whether there is a link with that thing or person, nor as to the nature of any such link. He submitted that the Court of Justice could not have decided the *Emmanuel* case in the way in which it did if a trade mark which uses a name is to be regarded as making a statement that the goods bearing that mark have a connection with that name. For example, a connection such as having been put on the market pursuant to an arrangement which involves the named person or entity.
117. The rival argument was put by Mr. Howe, who submitted that the mark in this case contained the information that goods bearing that mark had been put on the market with what he said was the "imprimatur" of the Beverley Hills Polo Club. He then submitted, on the basis of the facts pleaded, which are at present taken to be true, that the goods did not have the imprimatur of the Beverley Hills Polo Club.
118. Mr. Howe took me to other cases where it was held that the mark was deceptive. He referred to *Mcglennon's* application for the registration of a trade mark, [1908] RPC 799, where it was held that a mark which was or included a shamrock contains a statement that the origin of the goods was Ireland. As that was not the origin of the goods the mark was deceptive. He then referred to the decision of the General Court in *Caffe Nero v EUIPO* case T29/16. So far as deception was concerned the actual point argued was whether a mark which was likely to mislead could nonetheless be registered if the mark might be perceived in a way that was not misleading. The court held that such a possibility did not save the mark. The Court of Appeal in that case held that the mark, *Caffe Nero*, made the statement that the goods to which it was attached contained black coffee and that that statement was false when the mark was applied to, for example tea, cocoa and chocolate.

119. Mr. Howe then referred to an IPO case, O/556/18, in relation to the mark *SAKURA*, which means cherry blossom in Japanese, where it was held that the mark contained the information that the goods to which it was attached were flavoured with or contained cherry blossom. Finally he referred to *International Union of Ski Instructors v OHIM*, case T41/10, where it was held that the use of the mark ESF by the Ecole du Ski Francais did not contain the information that the teaching service in question was insured or controlled by the State.
120. Having referred to the submissions and the authorities, I can now say that I prefer the arguments for the claimants. The relevant mark does not, as argued by Mr. Howe, contain the information that the goods to which it is attached have been put on the market with the imprimatur of the Beverley Hills Polo Club. Therefore the mark is not deceptive, even if the facts pleaded by the RCB defendants were correct. Having reached this conclusion, there is no reason why I should not give summary judgment for the claimants in relation to it as sought.
121. I wish to deal finally and shortly with a further matter pleaded in the counterclaim. Paragraph 60 of the counterclaim is in these terms. At 60:
- "Further or alternatively the claimants have, by sending those letters and a letter of the same date to the eighth defendant, by suing the second to eleventh defendants in this action, and by including in this action a vexatious and unsustainable claim of conspiracy to injure, in bad faith sought to use legal proceedings and threats of legal proceedings not genuinely to assert their legal rights under their trade marks, but in order to harass the club and persons licensed by and dealing with the club, or with goods licensed by the club, and in doing so they have abused and/or threatened to abuse the process of the court."
122. The prayer for relief in the counterclaim claims an injunction to restrain the claimants from abusing the process of the court, and also claims an enquiry as to damages arising from abuse of the process of the court.
123. My first comment is that, while I have heard argument about abuse of the process of the court, I have heard that argument in the context of an application to strike out part of these proceedings. For that purpose, I have applied the test in *Broxton v McClelland* and asked myself whether this is a clear and obvious case of abuse of process. I have held that it is not a clear and obvious case of abuse of process.
124. That is not necessarily a complete disposal of what is said in paragraph 60 of the counterclaim. First of all, making a rather different point, paragraph 60 relies upon the threats letters which I have already dealt with.
125. Secondly, it may be that the intention of paragraph 60 is to allege the tort of abuse of process. I have not heard submissions on whether my conclusions about striking out parts of claim are determinative of the claim based on a tort of abuse of process. As I have not heard submissions on a possible tort of abuse of process, it would not be right for me to come to a decision on that point. I think that the only course I can take is to indicate that this may be a matter which will need to be dealt with as a

consequential matter following this judgment. Accordingly, that is the judgment I give on the points which have been argued.

-----