



Neutral Citation Number: [2012] EWHC 3588 (Ch)

Case No: HC 12 B04597

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
(INTELLECTUAL PROPERTY)

Rolls Building
7 Rolls Buildings
London, EC4A 1NL

Date: Monday, 10 December 2012

Before:

MR. JUSTICE SALES

Between:

BOXING BRANDS LIMITED

Claimant

- and -

(1) SPORTS DIRECT INTERNATIONAL PLC

Defendant

(2) QUEENSBERRY BOXING IP LIMITED

(3) SPORTSDIRECT.COM RETAIL LIMITED

(4) LILLYWHITES LIMITED

MR. IAIN PURVIS Q.C. and MS. ANNA EDWARDS-STUART (instructed by
DAVENPORT LYONS) appeared for the **Claimant**

MR. THOMAS MOODY-STUART (instructed by **BRISTOWS**) appeared for the **Defendants**

APPROVED JUDGMENT

Computer-aided Transcript of the Stenographic Notes of Marten Walsh Cherer Ltd.,
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MR. JUSTICE SALES:

1. There are before the court in substance three applications: one by the claimant for interim injunctive relief against the defendants in relation to marketing of sportswear products bearing the "QUEENSBERRY" brand; a second by the claimant again seeking an order for an expedited trial; and, third, an application by the defendants that the claimant's claim of trade mark infringement based on a Community trade mark in relation to the particular brand should be stayed pursuant to Article 104(1) of the Community Trade Mark Regulation as the Office for Harmonization in the Internal Market ("OHIM") is seized of an invalidity action with respect to this registration.
2. The position in relation to the application for an interim injunction is this. There has since about 2008 been an ongoing dispute between the claimant and the defendants' predecessors in title in relation to certain related QUEENSBERRY trade marks now claimed by the defendants. The claimant has registered national and Community trade marks using the QUEENSBERRY name but the validity of those trade marks is in dispute.
3. In February 2012, the defendants purchased alleged rights in relation to the QUEENSBERRY brand and trade mark from those who claimed entitlement to use those brands in preference to the claimant, Mr. La Mura and Mr. Goodwin.
4. The defendants sent letters notifying the United Kingdom IPO of the purchase of those rights and filed applications to register trade marks. Those matters came to the attention of the claimant and by letter dated 22nd March 2012 the claimant by its solicitors wrote to the second defendant to alert them to the claimant's own claims to the trade mark rights.
5. In the letter, it was stated:

"We infer from the New Applications that you believe that you are the rightful owner of the Queensberry Marks and that you intend to apply them to the goods and services for which you are seeking registration. Please therefore let us know within 7 days of the date of this letter if you are applying, or intend to apply, the QUEENSBERRY name in the course of trade to goods or services for which the Queensberry Marks are registered, or to licence others to do so. If so, please provide us with full details of all such use, including sales information on all products and services (both gross and net profits) and use in the context of promotion, advertising and marketing. If you do not provide us with this information then our client is entitled to assume that you are infringing, or intend to infringe, the Queensberry Marks and to act accordingly."

The letter concluded in this way under the heading "Suggested resolution":

"Our client would prefer to resolve this matter amicably and without recourse to the UKIPO or the Court, if possible. Our client also regards this matter as urgent. Accordingly, our

client requires you to enter into the attached undertakings by signing and returning them to us within 7 days of the date of this letter. Should you thereafter comply with those undertakings, our client will take no further action against you.

Should you fail to comply with this request, our client will assume that you intend to infringe its copyright and to apply to goods or their packaging, and supply services under, the Queensberry Marks. In that event, our client reserves its right to take such action against you as it deem necessary and appropriate, including issuing proceedings against you at Court for interim and/or final relief restraining the infringements set out in this letter, and damages (or at its election an account of your profits), plus payment of its legal costs, without further notice to you."

6. By letter dated 5th April 2012 solicitors acting for the second defendant replied to assert that the second defendant enjoyed rights in respect of the QUEENSBERRY trade mark that pre-dated those of the claimant. The letter said:

"[The second defendant] also believes that your client's trade mark registrations were filed in bad faith, as substantiated by the evidence it has filed in the current dispute before the IPO. As a result, invalidity and revocation actions have been filed against each of your client's trade mark registrations at OHIM and the IPO. Our client will not be withdrawing its QUEENSBERRY trade mark applications, nor surrendering its trade mark registrations. Messrs La Mura and Goodwin will not be surrendering their domain name registrations.

Our client hereby withdraws any permission that has been given to your client by it, either express or implied (which is denied), to use its QUEENSBERRY marks.

Our client is presently considering a new iteration of its various QUEENSBERRY trade marks. Pending completion of such considerations, it has no plans to use the QUEENSBERRY since 1867 and wings device that is the subject of its UK trade mark registration no. 2561131.

Neither our client, nor Messrs La Mura and Goodwin, will be entertaining your client's demands and they will defend any legal claims that may be brought against them by your client."

7. That letter, whilst declining to provide the undertakings which had been sought by the claimant, gave no specific indication that the defendants were proposing to take any concrete steps at that time to launch a range of products using the QUEENSBERRY

mark. In my view, therefore, the claimant was entitled to proceed on the basis that there was no immediate risk or threat to its claimed rights in relation to the QUEENSBERRY trade marks at that point in time. It was not incumbent on the claimant, in the light of that letter, to proceed to commence legal proceedings against the defendants.

8. In evidence filed for the defendants, the defendants say that they took comfort from the absence of proceedings being launched by the claimant in response to that letter and assumed that the claimant would not seek to mount a challenge in court proceedings if the defendants proceeded to launch a product range using the QUEENSBERRY logo. On the basis of that assumption the defendants proceeded to put in place plans to develop branded products using that logo with a view to putting them on the market.
9. I have to say that I do not consider that that is a reasonable interpretation of the claimant's position in the light of this correspondence. Mr. Moody-Stuart for the defendants himself characterised the underlying position as involving a "hard fought dispute in a number of jurisdictions in relation to the right to use the trade marks." Against that background, I consider that no reasonable assumption could be made on the basis of the exchange of correspondence referred to above that the claimant would not object and would not take legal proceedings if the defendants proceeded to launch products using the QUEENSBERRY logo, which in due course they did.
10. The position is that the claimant only learnt that the defendants were proceeding to launch a range of products of boxing sportswear and such like using the QUEENSBERRY trade mark when the claimant's solicitor, Mr Dennis, happened to be shopping in Lillywhites in London on 16th November 2012. On the sixth floor in the boxing department he saw a poster outside displaying brands on offer inside including a logo for QUEENSBERRY amongst a range of other logos. He checked with a shop assistant whether there were QUEENSBERRY goods for sale and was told that QUEENSBERRY was set to be a new clothing brand and that the stock was due to arrive soon.
11. Mr. Dennis reported back to the claimant what he had seen. That gave rise to a letter sent shortly thereafter, on 21st November 2012, indicating that it had come to the claimant's attention that the defendants had commenced offering for sale in Lillywhites various items of sports attire such as T-shirts and hooded tops bearing the QUEENSBERRY name. In this letter before claim the claimant asserted its rights in respect of the trade marks and sought undertakings from the defendants. No undertakings were offered by the defendants and, accordingly, the present proceedings were commenced and an application issued seeking interim injunctive relief over until trial.
12. On that application the principles to be applied are the familiar *American Cyanamid* principles relating to the balance of convenience and the balance of justice between the parties. It is common ground between the parties that there is a serious issue to be tried in relation to the validity of the trade marks in issue, as currently registered for the benefit of the claimant.
13. The next question is whether, if injunctive relief is not granted, the claimant may suffer harm which cannot be adequately compensated by an award of damages if its

claims of rights in relation to use of the QUEENSBURY brand are proved to be correct at the end of the day, after trial.

14. Mr. Moody-Stuart for the defendants submitted that there was no good evidence before the court that the claimant would suffer any significant harm at all which could be taken into account on this side of the balancing exercise. I do not accept that submission. In my view, a sufficient basis has been put forward in the evidence for the claimant asserting and explaining the basis for a potential claim for damages or other relief against the defendants should the claimant be successful after trial in asserting their entitlement to registration and use of the trade marks in issue.
15. The evidence put forward has to be assessed against the general background that there is a contest between different persons each claiming entitlement to be able to promote and launch branded products on to the market. In particular, I see no reason to go behind the evidence of Steven Cervenka for the claimant in two witness statements, where he gives details of steps that had been taken since about the middle of 2012 by the claimant to move towards launching its own QUEENSBURY branded products onto the market, in particular via a website which the claimant was, prior to the action by the defendants, intending to launch towards the end of November 2012.
16. There is evidence from Mr. Dennis, the solicitor for the claimant, asserting that the claimant risks suffering loss which will not be compensated; and in the particular context which I have described it seems to me that it is right for this court to treat that evidence, assertion though it may be, as having some weight.
17. In addition, there is a witness statement from Mr. Frank Warren, the well-known boxing promoter, one of the directors of the claimant. He refers to a the fact that the defendants had already begun to develop a marketing strategy based around promotion of QUEENSBERRY brand products by a leading British heavyweight boxer called Dillian Whyte. Mr. Warren says that Dillian Whyte recently tested positive for a banned substance and currently faces a suspension from professional boxing. Mr. Warren points out that it would be enormously damaging to the QUEENSBERRY brand claimed by the claimant if it became associated with Dillian Whyte in the minds of the public.
18. In my view, taking all these matters together, there is a sufficient basis on which the court should proceed to consider that if no injunctive relief is granted, the claimant will be at risk of suffering loss which cannot be adequately compensated for in damages at the end of the day. I consider that there are two potential heads of loss which are relevant here. The first is, against the background of evidence from the claimant that it was itself already ramping up to launch its own QUEENSBERRY products, the claimant will be at risk of losing the profits from sale of such products by virtue of what the defendants have done in getting into the market with their own QUEENSBERRY branded products before the claimant could launch.
19. The claimant is willing to undertake not to launch its own QUEENSBERRY products pending a trial of the claim. That seems to me a sensible course, so as to avoid confusion in the minds of the public in relation to competing QUEENSBERRY brands. Either on the basis that the claimant agrees to stay out of the market in this way or, if it did enter the market, that there would inevitably be confusion in the mind of the public about the products, it seems to me that the claimant will potentially

suffer losses in terms of lost profits which would be intrinsically difficult to value at a subsequent trial with accuracy and certainty.

20. The second matter is in relation to the general loss of control by the claimant over the trade marks which it claims are its own to exploit. Although a speedy trial is possible and, in my view, appropriate in this case, it would only take place in about July. In my view, in the absence of injunctive relief as sought by the claimant, the claimant would be exposed to a general risk of conduct on the part of the defendants which might jeopardize the claimant's own ability to develop the QUEENSBERRY brand and trade marks as it would choose and its ability to maintain the value in those trade marks and brand.
21. It is difficult to foresee exactly how the defendants might proceed to develop their marketing to sell the garments in question. There is no guarantee that they would not, if demand is found to be wanting, reduce the price and potentially damage the value of the brands by selling the items more cheaply. Although in the course of the hearing - to meet the problem identified with associating the brands with Mr. Dillian Whyte, as set out by Mr. Warren in his evidence - counsel for the defendants offered an undertaking that Mr. Whyte's name would not be used to promote the QUEENSBERRY goods being sold by the defendants over until trial, it seems to me that the readiness to offer such an undertaking itself underlines the potential risks to the claimant of leaving the promotion and initial branding of the products in the hands of the defendants. It shows an implicit acceptance of the importance of such matters as associating the brand with sports personalities for developing sales. This illustrates the risk to the claimant of not being able to control any sales campaign or marketing drive in relation to what it claims is its brand. There is, for example, no suggestion that the defendants would seek to agree with the claimant the identity of boxers who might be approached for branding purposes to promote the goods or anything like that.
22. As a general matter, I consider that it should be for the person ultimately found to be entitled to develop the QUEENSBERRY brand and to use the trade marks to have the ability to shape and fashion that brand by reference to boxing names which they could approach and contract with for themselves, rather than being left exposed to whatever arrangements their rival might make, however unsatisfactory they might regard those arrangements in the longer term.
23. Accordingly, I consider that the claimant has shown that it is at risk of suffering loss for which an order of damages at the end of the day may not adequately compensate them. There is no issue as to the ability of the defendants to meet an award of damages against them.
24. On the other side of the balance, the defendants will be at risk of suffering losses if injunctive relief is granted against them. In particular, if the injunctive relief is granted over until a speedy trial in July, the defendants will themselves be prevented from making profits by selling the branded products which they claim to be entitled to do.
25. In my view, the difficulty of quantifying the defendants' loss of profits in that regard is at a broadly equivalent level to the difficulty of quantifying the potential loss of

profits on the part of the claimant. These two factors are of broadly equivalent weight.

26. However, the defendants are not at risk of the claimant hijacking the development and promotion of the brands pending trial in the same way as the claimant is exposed to the actions of the defendants if no injunction is granted. The claimant has undertaken to stay out of the market until trial. The effect, therefore, if injunctive relief is granted, would be for the market to be left open to both sides for either one to develop the brands as they thought best after the entitlement to use the trade marks has been finally determined, without suffering detriment to their branding efforts by steps taken by the other in the mean time.
27. I consider that this feature of the case indicates that the balance of convenience and justice is in favour of granting injunctive relief at this stage, in order to obviate the additional risk which the claimant would suffer of harm being caused to the brands which it claims to be entitled to use if no injunction is granted and the defendants are permitted to go on marketing them in the way the defendants see fit.
28. In reaching the conclusion that an interlocutory injunction should be granted, I also have regard to the low key way in which the defendants have introduced their branded goods into the market. They have not spent considerable sums in order to launch the brand with a great fanfare. I think it is fair to say that they have slipped the goods on to the market with a minimum of fuss. The defendants cannot say that a huge marketing effort on their part will be wasted if an injunction is granted now. The materials promoting the goods are very low key indeed. On the defendants' website there is one panel of a slider which advertises the QUEENSBERRY branded products alongside a number of other branded products. So far as advertising in shops is concerned, from the photographs of the advertising materials I have been shown, the QUEENSBERRY name is simply listed amongst a range of other brands with no great prominence.
29. The defendants complain that they will lose the benefit of sales over the Christmas period. But so far as that is concerned, it seems to me that that is a potential loss for the claimant as well, which means that this factor broadly balances out on both sides of the equation of the balance of convenience. Also, the absence of a launch of the products with a great fanfare in order to develop goodwill into the Christmas period militates against the suggestion that the defendants would suffer particular and considerable loss of profits by virtue of grant of an injunction at this particular stage.
30. The defendants also refer to a range of matters set out in particular in the witness statement of Mr. Ian Campbell. At paragraphs 11 and 12 of his witness statement, he says this:

"11. If the Queensberry branded product range was withdrawn, Sports Direct would also face difficulties in trying to re-launch the range at a later date as usually a retailer only has one opportunity to launch a brand and if that launch is not successful the brand is permanently tarnished.

12. A fundamental part of Sport Direct's business model is the reinvigoration of existing brands and development of new

brands. If Sports Direct was forced to withdraw the Queensberry brand it would impact on the credibility of Sports Direct in negotiating the licensing and purchase of brands in the future as the Queensberry brand would be viewed as a commercial failure because it had to be pulled from the market."

31. In my view, those assertions are overstated, particularly in view of the low key way in which the launch of the products has taken place. It is unlikely that the launch, such as it has been, will have made any great impression on the public. In view of the absence of a major marketing splash in relation to launch of the QUEENSBERRY products, I find it difficult to believe that the brand would be permanently tarnished in the eyes of the buying public if the defendants were enjoined from continuing to sell them at this point in time and were only able to re-commence selling them in about July 2013. Such a pause in sale of the branded goods will be unlikely to tarnish the brand to any significant extent. Further, as pointed out by Mr. Purvis QC for the claimant, this is not a case where Sports Direct has licensed other retailers to sell QUEENSBERRY branded products. There would be little or no loss of face which Sports Direct would suffer with other commercial operators, since the withdrawal of the goods from sale would be a purely internal matter within Sports Direct.
32. The point made by Mr. Campbell in paragraph 12 of his witness statement leads into another matter which, in my view, is a yet further factor pointing in favour of the grant of injunctive relief in this case. The defendants submit that the claimant has been guilty of delay in coming forward with its claims. They contend that, in the light of the response by the second defendant in the letter of 5th April 2012, the claimant should have taken court action at that stage if it was serious about the matter, and the defendants were entitled to assume from the claimant's inaction at that point that they could safely proceed to launch their own QUEENSBURY products without further reference to the claimant.
33. I do not accept this. In my view, since no specific threat of a launch of QUEENSBERRY branded products was contained in the letter of 5th April 2012, it was understandable, and indeed reasonable and sensible, for the claimant to hold its hand at that stage and not embark upon legal proceedings until such time as it appeared that they were really necessary to defend its claimed rights. The defendants could not reasonably assume from the claimant's omission to take legal action at that stage that the claimant would not object to the defendants introducing their own QUEENSBURY branded products onto the market.
34. Secondly, the defendants contend that Mr. Warren should have appreciated from an article which appeared in the Mail Online in August 2012 that there was indeed a threat of a launch of QUEENSBERRY branded products by the defendants. However, I accept the evidence given by Mr. Warren that he did not regard that as an indication of a serious threat at the time. The article was vague and unspecific and for weeks, if not months, afterwards nothing appeared to happen. I do not think that the claimant can fairly be criticized for failing to take proceedings at the time that that article appeared. Nor, again, could the defendants reasonably take any comfort from the omission of the claimant to issue legal proceedings at that time.

35. Finally, the defendants say that the claimant delayed unreasonably from discovery of the imminent introduction of QUEENSBERRY branded products in the Lillywhites store, as discovered by Mr. Dennis on 16th November 2012, until the letter before claim was sent on 21st November. I do not think that this is a fair criticism either. In my view, the claimant acted as soon as was reasonably practicable in order to bring their claims to the attention of the defendants and to object to what they were doing.
36. In my judgment, the more serious point in relation to all this for the purposes of deciding whether injunctive relief should be granted relates to the way in which the defendants, as Mr. Purvis put it, crept onto the market with their products with no notice to the claimant. I think that that is a fair characterisation of events on the evidence that I have seen.
37. In those circumstances, I think that it is an additional relevant matter for me to take into account that the defendants proceeded in a way where they knew or ought to have known that the claimant would be likely to object strongly to them introducing QUEENSBERRY branded products onto the market, yet failed to draw to the claimant's attention that that was what they intended to do at a time when there could be a full debate between the parties as to what ought to happen in relation to the trade marks and the rival claims to entitlement to use the QUEENSBERRY brand before the defendants proceeded to incur the costs, such as they were, of launching the products. In my view, the defendants used the QUEENSBERRY mark and launched the products in circumstances where they knew or ought to have known that they were taking a risk that they could be on the receiving end of an injunction application on the part of the claimant (cf paras. [7]-[9] above).
38. In that regard, I consider that there is a fair analogy to be drawn with the case of *SmithKline Beecham Plc v. Apotex Europe Ltd*, [2003] EWCA Civ 137, [2003] FSR 31, as submitted by Mr. Purvis. Although that case concerned someone producing goods in alleged breach of a patent in circumstances where it was known that there would be disputes about their entitlement to proceed in that way, I consider that the analogy with the present situation, where the defendants proceeded to introduce their goods using the QUEENSBURY brand onto the market without first canvassing with the claimant that it proposed to do that, so that the outstanding disputes between them could be addressed before they proceeded in that way, is sufficiently close that the case provides relevant guidance for me in the current situation.
39. I refer in particular to paragraphs [38] to [40] in the judgment of Aldous LJ. In that case, the Court of Appeal held that the judge, who had granted interlocutory injunctive relief in the exercise of his discretion, was "entitled to take into account when deciding to maintain the status quo [in favour of granting an injunction] that Apotex walked into the situation that they find themselves in with their eyes open to the risk that they were taking. They knew the risk and decided that it was best not to remove it. To preserve the status quo as the judge did meant that Apotex would only temporarily be prevented from doing that which they had not yet done. If they are right, the court will have to do the best it can to compensate them under the cross-undertaking." Aldous LJ said that he could not find fault with the approach of the judge, including giving weight to the particular factor that Apotex had knowingly taken a risk in proceeding in the way it did.

40. In the present case, I consider that the defendants proceeded to put their QUEENSBURY branded products on the market in circumstances where they knew or should have known that the claimant would be likely to object and to seek injunctive relief, but without first seeking to resolve the underlying dispute about who was entitled to use the brand and trade marks. The defendants thereby created and took the risk that, once the claimant discovered what they were doing, injunctive relief would be sought and might be granted against them. The claimant, on the other hand, has simply reacted to the situation created by the defendants.
41. In the present case, subject to what I will say in a moment about the financial worth of the cross-undertaking in damages which is offered, it is my view that the balance of convenience and justice falls clearly in favour of the claimant in this case. In my view, as set out above, the claimant is at a greater risk of suffering harm which cannot properly be compensated in damages, because of the two areas of loss to which it would be exposed if injunctive relief is granted. In addition, my view is reinforced by the point just made by reference to the *SmithKline Beecham v. Apotex* case.
42. Finally, so far as the grant of injunctive relief is concerned, the defendants contend that the cross-undertaking in damages offered by the claimant is of no significant value. Against that, the claimant puts forward the witness statement of Mr. Frank Warren, who offers his personal cross-undertaking in damages alongside that of the claimant. Mr. Warren says that he has substantial assets within the jurisdiction, both in terms of cash and property, which he believes will more than satisfy any conceivable amount that might ultimately be awarded under the cross-undertaking. He also gives a practical example of a property owned by him with significant free equity in it of at least £320,000. I see no reason to go behind this evidence as to Mr Warren's means and ability to satisfy any ruling in favour of the defendants based on the cross-undertaking in damages. Therefore, there is no reason, by reference to the ability of the claimant and Mr. Warren to satisfy any award against them on the cross-undertaking in damages, to depart from the conclusion that I have arrived at that interlocutory injunctive relief in the terms sought should be granted upon the balance of convenience and justice in this case.
43. I turn then to the other applications which are before me. In the event that injunctive relief was granted, Mr. Moody-Stuart, for the defendants, agreed that the case was one in which there ought to be expedition. It seems to me clear that this is a case fit for expedition, since there is a risk of loss on either side (for the claimant or the defendants, depending on the outcome at the end of the day at trial) which cannot be fully and properly compensated in damages. In the circumstances, it is appropriate that expedition should be ordered in this case. The date for hearing is proposed to be moved forward from the autumn of 2013 to July 2013. I have made inquiries with the listing office, who inform me that it ought to be possible to accommodate the trial of the action in the course of July 2013. On that timescale, both parties agree that it would be possible for them to be ready for trial. In the circumstances, therefore, I direct that the trial be expedited, with a hearing to take place in July 2013. The parties will need to seek to agree sensible directions in order to ensure that the matter can be properly ready for trial at that time. That is not a matter before me at the moment.
44. Finally, I have to consider the application made by the defendants for a stay of the claimant's claim for infringement of the Community trade mark, by reference to

Article 104(1) of the Community Trade Mark Regulation. Article 104 deals with the division of proceedings as between National Courts applying European trade mark law, on the one hand, and OHIM, on the other. Article 104 provides, so far as relevant, as follows:

"(1) A Community trade mark court hearing an action referred to in Article 96, other than an action for declaration of non-infringement, shall, unless there are special grounds for continuing the hearing, of its own volition, after hearing the parties, or at the request of one of the parties and after hearing the other party, stay the proceedings where the validity of the Community trade mark is already in issue before another Community trade mark court on account of a counterclaim where an application for revocation or for a declaration of invalidity has already been filed at the office....

(3) Where the Community trade mark court stays the proceedings, it may order provisional and protective measures for the duration of the stay."

45. This is a case in which the proceedings before OHIM to challenge the registration of the Community trade mark in the name of the claimant were commenced before the present proceedings. Accordingly, Article 104(1) creates a strong presumption that the proceedings in relation to infringement of the Community trade mark should be stayed unless there are special grounds for the National Court to continue the hearing. Although Mr. Moody-Stuart began by seeking positively to submit that this was a case where the court should stay the proceedings pursuant to Article 104(1), after reflection over the short adjournment he withdrew from that position and, instead, simply proceeded on the basis that the court's attention was drawn to Article 104(1) and that it was for the court to decide of its own volition what to do - the defendants no longer wished positively to submit that this was a case where the claims in relation to the Community trade mark should be stayed. The position adopted by Mr. Purvis in his skeleton argument was that this was not a case where there should be a stay.
46. On this aspect of the case, I have directed myself, in particular, by reference to the judgment of Lewison J (as he then was) in *Guccio Gucci SpA v. Shipton & Heneage Ltd*, [2010] EWHC 1739 (Ch). In my view, this is a case where special circumstances do apply which indicate that there should be no stay of the national proceedings in relation to the Community trade mark matters. The issues in relation to the Community trade mark should proceed to trial in these proceedings alongside the disputes in relation to the national trade marks.
47. The factors which, in my view, indicate that that is the appropriate way forward and which constitute special circumstances justifying such an approach are as follows. First, on my understanding of the matters in dispute between the parties, there is a significant overlap in the issues that arise in relation to the national trade mark disputes and the Community trade mark disputes, by contrast with what appears to have been the position in the *Gucci* case (see paragraphs [25] and [26]). It is clear from Recitals (16) and (17) to the Community Trade Mark Regulation, set out in *Gucci*, that in operating the regime under that Regulation, considerable weight is to be given to the objective of preventing inconsistent decisions on the part of national courts and OHIM. In the present case, since it is not suggested that there should be a

stay of the disputes in relation to the national trade marks, the interest of having all relevant issues determined at one go before one tribunal points in favour of the national court retaining jurisdiction in relation to the Community trade mark issues as well.

48. Secondly, as appears from the judgment in *Gucci*, the OHIM procedure is a paper-based procedure. One important matter in issue in relation to the national and Community trade marks in the present case is whether the claimant has proceeded to register them in good faith without notice of prior use of the QUEENSBERRY logo by Mr. La Mura and Mr. Goodwin. In my view, where significant factual issues going to matters of good faith are in dispute, it is a factor in favour of the claims all being heard at one time before the English court that its procedure allows for full disclosure and cross-examination of relevant factual witnesses, which will, in the circumstances of this case, be particularly well suited to getting to the bottom of those particular factual disputes.
49. Thirdly, it is clear from the *Gucci* case that there may be very significant delays in getting to a final conclusion in proceedings before OHIM. By contrast, with a speedy trial in this jurisdiction, the parties will achieve certainty much more quickly; and, with knowledge of their rights, one or other of them will then be able promptly to move to develop the trade mark and brands and start making money from them, as they will have been found to be entitled to do. At paragraph [22] of his judgment in *Gucci*, Lewison J observes that a business needing to know where it stands "will very often be a factor of considerable importance", although he went on to say that, in the circumstances of that case and in the context of the Regulation, that factor was of rather lesser weight than might be the case in other situations. As it seems to me, it is a factor of significance in the circumstances of the present case. Neither party will be able to make use of the trade marks until after trial, which tends to reduce their value. I take this factor into account as part of the cumulative picture, indicating that there are relevant special circumstances justifying a refusal of the stay in this case.
50. Fourthly, I consider that it is also relevant to have in mind the impact on both parties which is likely to flow from the grant of the interlocutory injunction which I have found to be appropriate here. Such injunctive relief may be maintained consistently with Article 104 of the Regulation: see Article 104(3). This is a case in which, as explained above, there is a significant danger of one side or the other suffering uncompensated loss; and that risk increases the longer the delay before determination of the parties' rights at trial. I consider that, again, it is in the interests of justice in the particular circumstances of this case that the court should give weight to the desirability of securing an early and complete resolution of the disputes between the parties, in order to minimise that risk of either one of them suffering losses which may not, ultimately, be fully compensated in damages at the end of the day.
51. Finally, I also attach some limited weight to the fact that none of the parties before me positively wishes a stay to be granted.
52. For all these reasons, I consider that it is appropriate to regard the case as a case which falls within the special grounds exception in Article 104(1) of the Regulation, and the application for the stay is refused.

COSTS

53. In relation to the application for costs, the claimant seeks an award that the defendants pay the claimant's costs of these applications on the standard basis, to be assessed. In my view, that is the appropriate award for costs to be made. In my assessment, these applications for injunctive relief, a speedy trial and in relation to a stay fell into a discrete area where the parties were arguing on full notice to each other of the respective positions they were adopting and in a way which would substantively resolve matters to a considerable degree down to the hearing of the claim. In those circumstances, I consider that it is appropriate to look at these applications as being self-contained, and as standing apart from final determination of the action at trial. That being so, the ordinary rule that costs follow the event should be applied and, accordingly, I order the defendants to pay the claimant's costs of these applications.
