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Case No: HC-2015-002009

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

Rolls Building  
Fetter Lane, London, EC2A 1NL

Date: 12 January 2018

**Before :**

**MR JUSTICE ARNOLD**

**Between :**

<b>W3 LIMITED</b>	<b><u>Claimant</u></b>
<b>- and -</b>	
<b>EASYGROUP LIMITED</b>	<b><u>Defendant</u></b>
<b>- and -</b>	
<b>JEAN CAMILLE PONS</b>	<b><u>Third Party</u></b>

**Mark Vanhegan QC and Chris Aikens (instructed by Clintons) for the Claimant and Third Party**  
**Tom Moody-Stuart QC and Jessie Bowhill (instructed by Eversheds Sutherland (International) LLP) for the Defendant**

Hearing dates: 14-17, 20-21, 23-24 November 2017  
Further written submissions 28 and 30 November 2017

**Approved Judgment**

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

.....  
MR JUSTICE ARNOLD

**MR JUSTICE ARNOLD :**

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## Introduction

1. This is a trade mark dispute of considerable complexity: the agreed list of issues at the start of the trial ran to no less than 44 issues, although a few were dropped during the course of the trial. Distilled to its essence, however, the core of the dispute is whether the Claimant (“W3”) has infringed any valid EU trade mark of the Defendant (“easyGroup”) by use of the sign “EasyRoommate” and variants thereof in relation to an online service for sharing accommodation in the UK and eight other EU Member States. There are also issues as to the validity and revocability of trade marks owned by both parties, as to passing off, as to defences raised by W3 and as to threats made by easyGroup. It is common ground that the Third Party (“Mr Pons”) is jointly liable for any infringement or passing off by W3.

The witnesses

*Factual witnesses*

2. *W3's witnesses.* W3 called nine witnesses who have for varying periods been involved in the EasyRoommate business.
3. Mr Pons has at all material times been the sole or majority beneficial owner of W3 and its predecessors. He coined the name EasyRoommate in 1999, as explained in more detail below. As he accepted, Mr Pons had a poor recollection of relevant events, even recent ones. As a result, he made a number of factual errors during the course of the proceedings which he subsequently had to correct, including during his oral evidence. Counsel for easyGroup submitted that Mr Pons had on occasion been less than candid with the court when he believed his own interests required it. I do not accept this. In my view, the instances relied upon in support of this submission are examples of poor recollection and confusion rather than a lack of candour. Nevertheless, I do accept that Mr Pons' evidence must be treated with some caution unless it is supported by contemporaneous documents or corroborated by other reliable evidence.
4. Alexis Bougon started working for the EasyRent business in New York in 1998 as a web designer. He gave evidence as to how he redesigned the EasyRent logo and website soon after he joined, of his design of the first EasyRoommate logo and website in early 1999 and all subsequent redesigns of both the EasyRent and EasyRoommate websites up to 2004. From 2004 to June 2016 he worked as Head of Products for Vivastreet. He retained a shareholding of 3% in W3 from which he received substantial dividends, a matter which was not revealed in his witness statement, as it should have been. Accordingly, he accepted that he had a financial interest in this dispute being resolved in W3's favour. Despite this, counsel for easyGroup accepted that he had given his evidence fairly.
5. Karim Goudiaby first joined the EasyRoommate business as an intern at the start of 2002. After a short break from the business, he returned ultimately to take charge of the business globally from 2008 until December 2015, when he left the business altogether. From his return to the business in 2006, he was involved in most aspects of the business, including communications with easyGroup and its lawyers and negotiations to sell the business. Mr Goudiaby gave evidence by videolink from Mexico, where he is currently resident. Counsel for easyGroup submitted that his evidence was unreliable. Two matters were relied upon in support of this submission. The first was that both Mr Goudiaby and Mr Berton had said that EasyRoommate had been "born out" of EasyRent and that Mr Goudiaby could not explain the use of the same expression. As counsel for W3 pointed out, however, Mr Berton was not asked about this. The second was that, as Mr Goudiaby accepted, the figures he gave for marketing expenditure in the period 2003/2004 were inflated. I attribute this, however, to poor recollection given the passage of time, which is hardly surprising.
6. Jeremie Berton also began working for the EasyRoommate business in 2002. He was given responsibility for the UK EasyRoommate business by Mr Pons shortly after joining, and so was part of the discussions and decisions as to the branding and appearance of the UK website between 2002 and at least the end of 2006. He is currently the Chief Executive Officer of WebDMUK Ltd ("WDMUK"), a company

which provides services to W3, including in relation to the EasyRoommate business. Mr Berton had a 7% shareholding in W3 from which he received substantial dividends, a matter which was not revealed in his witness statement, as it should have been. Accordingly, he accepted that he had a financial interest in this dispute being resolved in W3's favour. Counsel for easyGroup submitted that Mr Berton was an argumentative and unhelpful witness who was willing to say anything to support W3's case. I agree that Mr Berton was a somewhat combative witness, but I do not consider that he was untruthful. Again, the main point relied upon by counsel for easyGroup related to an inflated estimate of advertising expenditure in the period from 2004 to 2006. Again, I attribute this to poor recollection.

7. Frank Perri joined the EasyRoommate business in 2005. He held a customer service role, dealing primarily with the UK market, from 2005 until 2010. Since April 2017 he has been CEO of DM Services Inc ("DMSI"), of which WDMUK is a subsidiary, based in New York. His evidence primarily concerned the way in which the EasyRoommate business dealt with customer enquiries between 2005 and 2008, which is relevant to the likelihood of evidence of confusion coming to light. Mr Perri gave evidence by videolink from New York. Counsel for easyGroup accepted that he was a truthful witness, but submitted that his recollection was poor. I agree with this.
8. Karine Teixeira joined the EasyRoommate business in 2006. In 2008, she became Customer Services Manager for all of W3's businesses serviced by WDMUK (including the EasyRoommate business). She is still employed by WDMUK. Ms Teixeira's evidence also concerned customer enquiries, and in particular searches that had been carried out of the relevant email archives for any possible evidence of confusion. Counsel for easyGroup accepted that she was an honest and good witness.
9. James Wetherall has been a director of W3 since 31 August 2010. Mr Wetherall gave evidence primarily as to W3's documentary records and the decision to issue these proceedings. Counsel for easyGroup accepted that he was a truthful witness, although concerned not to say anything inconsistent with W3's tax arrangements.
10. Chris Evans is the Chief Financial Officer of WDMUK, a position he has held since 2013. He is also a minority shareholder in W3. Mr Evans' primary evidence was as to the nature and scale of the EasyRoommate business in Europe since it first started in the UK in 2000 and was based on the historic records of the business in so far as the same still exist. Counsel for easyGroup submitted that Mr Evans was an argumentative and unhelpful witness whose approach to his evidence was unfair. I agree that Mr Evans was a somewhat combative witness, but I do not consider that he was untruthful or unfair.
11. Alan Badey is a Certified Public Accountant and is currently the Managing Partner at Citrin Cooperman & Company LLP, a firm of accountants in White Plains, New York. Mr Badey has since at least 2003 acted as the engagement partner for accounting advice and services provided by Citrin Cooperman to Mr Pons and his various US corporate entities. He gave evidence regarding the corporate entities through which the EasyRoommate business was carried on in the early 2000s, which is relevant to the issues on chain of title. Mr Badey gave evidence by videolink from New York. Counsel for easyGroup submitted that he was an unreliable witness who had allowed his loyalty to Mr Pons to tempt him to reconstruct events which he could not possibly have recollected. I do not accept this. Mr Badey struck me as a

straightforward witness who was doing his best to assist the court. The accuracy of his recollection on the points which matter I shall consider below.

12. In addition to the witnesses listed above, W3 adduced evidence from Andrew Sharland and Sebastian Jones of Clintons, W3's solicitors, concerning W3's disclosure. Their evidence was not challenged in cross-examination. Finally, W3 adduced evidence from Blake Wilner, another solicitor employed by Clintons, regarding searches he had conducted in telephone directories. His evidence was reviewed by Daniel Prim of Eversheds Sutherland, easyGroup's solicitors. During the course of the trial, Mr Wilner and Mr Prim produced an agreed statement, as a result of which it was agreed between the parties that neither would be cross-examined.
13. *easyGroup's witness.* The only factual witness called by easyGroup was Sir Stelios Haji-Ioannou, the founder of easyGroup. As he accepted, he did not have personal knowledge of many of the matters addressed in his witness statement, but rather relied on the documentary records he referred to. Moreover, as he also accepted, he did not have a good recollection of the details of events. Counsel for W3 submitted that his main concern was to argue easyGroup's case. I accept that Sir Stelios was somewhat argumentative, but some of the questions he was asked invited argument and he did make efforts to avoid arguing the case.

#### *Expert witnesses*

14. On 25 November 2016 Master Matthews gave the parties permission to adduce expert evidence in the fields of "(a) foreign national law to address issues relating to the Claimant's and Third Party's foreign national defences to the Defendant's counterclaim in each of the 8 European jurisdictions applicable and (b) linguistics to address issues relating to the likelihood of confusion regarding the use of the parties' respective marks in each of the 8 European jurisdictions applicable". In the event W3 did not pursue its pleaded foreign national law defences, and so paragraph (a) fell away. I must nevertheless return to this point briefly below.
15. *Linguistics.* The only linguist called by either party was Dr John Olsson, who was called by W3. Dr Olsson is an expert in forensic linguistics. He has three postgraduate degrees in linguistics as well as a degree in law. He has been practising in the field of forensic linguistics for over 20 years, he lectures on the subject at the University of Bangor, he has published widely in the field, he is an author of one of the standard textbooks on the subject and he has given expert evidence in over 450 criminal and civil cases.
16. Dr Olsson was placed in a difficult position, because he was asked to express an opinion as to the extent to which the word "easy" had acquired a secondary meaning in any of the eight countries in question. I struck out large parts of his report at the pre-trial review as being inadmissible. Counsel for easyGroup submitted that Dr Olsson was an argumentative and unhelpful witness. I do not accept this. In my view Dr Olsson can be forgiven for seeking to defend himself in the face of an attack on his competence and credibility based on criticisms made of his evidence in another case some eight years ago, from which he said he had endeavoured to learn. More importantly, counsel for easyGroup submitted that a significant part of what was left of Dr Olsson's report fell outside his area of expertise since it was directed to the acquisition and knowledge of the English language by nationals of the other eight

countries. In my judgment this criticism is justified. In fairness to Dr Olsson, however, I should acknowledge that he made it plain that he was relying upon a European Union survey as the source for much of what he said on this topic.

17. *New York law.* Both sides adduced expert evidence as to New York law. W3's expert was Joshua S. Levine, a licensed attorney in the State of New York since 1980 and a partner at Danzinger & Markhoff LLP since 1989. easyGroup's expert was Eric M. Kogan, a licensed attorney in the State of New York since 1998 and a partner at Robinson & Cole LLP since 2007. There was a large measure of agreement between the experts, and it was sensibly agreed between the parties that cross-examination of the experts would be dispensed with.

### Factual background

18. There is quite a complicated factual background to the dispute extending over a period of 22 years. Although much of this is common ground, some is disputed. I will set out my findings of fact topic by topic and approximately chronologically in relation to each topic. There is a considerable amount of detailed evidence concerning the various businesses and brands, and therefore it is necessary for me to summarise.

### *easyGroup and its licensees*

19. *easyJet.* In 1995 Sir Stelios founded the budget airline easyJet. easyJet Airline Company Ltd was incorporated on 17 March 1995. The first easyJet flight was from Luton to Glasgow on 10 November 1995. From the outset, easyJet used a distinctive get-up consisting of the brand name in Cooper Black font printed in white on an orange (Pantone reference 021C) background, except for the aircraft, which had the name painted in orange on a white background. Prominent use of orange was made throughout easyJet's marketing and promotional materials; even the exterior of the company's offices was painted orange.
20. Also from the outset, Sir Stelios planned to create a family of "easy-" prefixed brands, with a view to emulating Sir Richard Branson's success in extending the Virgin brand from one industry to another. Thus easyJet's address was easyLand, easyWay, Luton Airport; the in-flight magazine was initially called *easyCome easyGo* (*easyRider* from 1998); the in-flight food and drinks service was called easyKiosk; and maintenance and repair of the aircraft was carried out by a sub-contractor called easyTech (pursuant to a formal licence agreement from February 1999). In addition, easyJet adopted the designation EZY as part of its flight numbers.
21. The airline was an immediate success. It quickly grew in size and the number of routes increased rapidly. Flights were limited to the UK at first, but soon expanded to the Netherlands (first flight to Amsterdam on 24 April 1996), Spain (first flight to Barcelona on 12 June 1996), Italy (first flight to Rome on 25 November 1998), Germany (first flight to Munich on 25 November 1998), Portugal (first flight to Faro on 28 March 1999), Ireland (first flights to Shannon, Cork and Knock on 28 January 2005), Belgium (first flight to Brussels on 29 June 2007) and Austria (first flight to Vienna on 29 October 2007) as well as other countries (such as France, first flight to Nice on 1 November 1997). As at 30 September 2000, easyJet operated 28 routes with 18 aircraft.



22. The success of easyJet was assisted by the fact that it was featured in a popular TV documentary series called *Airline*, which was broadcast by ITV from January 1999. A second series was broadcast in Summer 1999, a third series in June 2000 and a fourth series in March 2001. The second and fourth series reached about 9 million viewers per episode and the third about 7.5 million viewers per episode. Fifth to ninth series followed between April 2002 and September 2006. The programme was also broadcast in many other countries worldwide. This was in addition to the advertising carried out by easyJet. easyJet's approximate expenditure on press advertisements was £4.4 million in 1999 and £4.9 million in 2000. In addition to advertising and the TV series, easyJet has received significant editorial coverage in the press.
23. easyJet's turnover in the years ending 30 September 1999 and 30 September 2000 was £139.8 million and £263.7 million respectively.
24. easyJet's business has always relied heavily on the internet. It was and remains a ticketless airline, and the vast majority of flights have been sold via easyJet's own website at [www.easyjet.com](http://www.easyjet.com). By 2001 the website was operational in French and Spanish as well as English, and by 2003 it was also in Dutch, German, Italian and Danish.
25. easyJet plc was incorporated on 24 March 2000 and became the parent company of, amongst other companies, easyJet Airline Company Ltd on 30 April 2000. On 15 November 2000 easyJet plc was partially floated on the London stock market. Sir Stelios retains a beneficial interest in a minority shareholding. He has served as a non-executive director of easyJet plc at various times in the past, but does not do so at present.
26. The numbers of passengers flown per year climbed rapidly from 30,000 in the first month to just short of 6 million in 2000 and then increased by around 5 million per year to reach some 65 million in the year ending 31 January 2015.
27. easyJet is now one of the largest airlines in the world, operating in over 30 countries and carrying almost 80 million passengers a year. Its website receives visits from over 200 million users per year. The company is listed on the London stock exchange and is a member of the FTSE 100 with annual revenues of over £6 billion.
28. easyJet has sold advertising for hotels in the UK, and subsequently European destination countries, in its in-flight magazine since its first issue in March/April 1996. From Summer 1998 it also provided passengers with the opportunity to book discounted hotel accommodation (among other services) via a concession called easyExtras which was promoted in the easyJet in-flight magazine. It also sold advertising space to accommodation booking providers of various kinds. By February 2000 easyExtras had been replaced by a preferred supplier called Travel Extras, and by November 2000 the easyJet website provided a link to the Travel Extras website.
29. From at least 2010 accommodation has been available to book via the easyJet website ([hotels.easyjet.com](http://hotels.easyjet.com)). Between 2010 and 2015 a total of over 2,356,000 hotel room nights were booked by users of the easyJet website, excluding hotel rooms sold as part of easyJet holidays. The range of accommodation advertised in the in-flight magazine and via the website is very broad, covering hotels, hostels, villas and apartment rentals.

30. Since 2015 the easyJet in-flight magazine has carried references to “the easy portal easy.com” (as to which, see below).
31. *easyEverything, later easyInternetcafé*. In 1998 Sir Stelios founded an internet café business called easyEverything, later easyInternetcafé. easyEverything Ltd was incorporated as easyCafe Ltd on 16 September 1998 and changed its name to easyEverything Ltd on 8 December 1998 and to easyInternetcafé in October 2001. Internet cafés provided access to the internet to those without, or away from, home computers in the days before widespread use of mobile devices with internet connectivity.
32. The first easyEverything internet café, which had 400 terminals, opened in London opposite Victoria station on 21 June 1999. The opening was presaged by a considerable amount of press coverage. A further four stores had been opened in London by 4 February 2000, followed by one in Edinburgh on 18 May 2000. By 10 June 2000 easyEverything had 2,300 terminals in its London stores. Over the period from 5 June 2000 to 14 December 2000 easyEverything opened internet cafés in the Netherlands, Spain, Belgium, Germany, Italy and France (and also New York). By 3 February 2001 easyEverything had 8,100 terminals in 20 stores worldwide.
33. Like easyJet, easyEverything used the Cooper Black font and white print on an orange background for its brand name, which was prominently displayed on the fascias and elsewhere.
34. The internet cafés were open 24 hours a day. By the end of 2000 easyEverything had around 10 million customers per year, around double the number that flew with easyJet at the time. Turnover increased from £7.3 million in the year ending 30 September 2000 to £22.5 million in the year ended 30 September 2001. Just under £0.5 million was spent on press advertising in 1999 and over £535,000 in 2000.
35. In addition to charges for using the terminals, printing and coffee, easyEverything generated further revenue by the sale of advertising on the premises themselves and on the screensavers of the computers being used. It cross-promoted easyJet in its stores and also paid easyJet to advertise in the easyJet in-flight magazine. There were also links between the respective websites. easyEverything was also promoted on the easy.com website.
36. During the period from 2002 to 2004 easyInternetcafé grew from 20 stores to 70 outlets, most of which were concessions within other retail stores such as McDonald’s, Burger King, Sainsbury’s and Subway. In June 2004 it sold its flagship Oxford Street store. By 2009 it was operating on a franchise model.
37. *easyRentacar, later easyCar*. In 1999 Sir Stelios founded a car rental business called easyRentacar, later easyCar. easyRentacar (UK) Ltd was incorporated on 30 July 1999 and changed its name to that name on 17 September 1999. easyRentacar began trading from premises near London Bridge on 20 April 2000, followed by sites in Glasgow on 24 April 2000 and Barcelona on 26 April 2000. These openings were preceded by significant press coverage. Customers were able to book rentals in advance by telephone or via easyRentacar’s website. easyRentacar changed its name to easyCar in early 2001.

38. Like easyJet and easyEverything, easyRentacar used the Cooper Black font and white print on an orange background for its brand name, which was prominently displayed on the fascias and elsewhere. The same is true of the other businesses referred to below, and I shall not continue to repeat this point.
39. easyRentacar/easyCar's turnover in the period up to 30 September 2000 was £3.34 million. By the year ending 30 September 2002, this had increased to £32.5 million. The business benefitted from significant press coverage and substantial sums were spent on advertising. Thus in March 2000 alone £245,000 was spent on press advertising. easyRentacar/easyCar was also promoted on the easyJet and easy.com websites.
40. At some point easyCar ceased to operate as a car rental company. Currently it operates as a car rental comparison and booking site.
41. *easyGroup*. On 25 November 1998 Sir Stelios formed easyGroup (UK) Ltd with an office in London to explore and incubate new ventures and to extend the "easy-" family of brands.
42. On 25 August 2000 easyGroup (then called easyGroup IP Licensing Ltd) was incorporated. On 5 November 2000 easyGroup entered into an agreement known as the "easy Brand Consolidation Agreement" with 37 companies, including easyJet plc, easyEverything Ltd, easyRentacar (UK) Ltd and easyGroup (UK) Ltd. By that agreement the parties agreed that, as it was put in recitals J and K, the parties to the agreements other than easyGroup would transfer to easyGroup all interests they then held in the intellectual property rights that "support or derive from the easy Brand and Getup", and that in return easyGroup would licence the relevant rights back to each party on terms containing common restrictions "that are intended to sustain the high level of quality and value expected by easy brand customers, and to ensure that use of the easy brand is strictly policed and brand piracy vigorously pursued". Appendix 1 to the agreement was an Agreed Form IP Assignment, and Appendix 2 was an Agreed Form Brand Licence. The "easy brand" was defined as "the combination of the word 'easy' with a word which refers or alludes to the services provided by the company in question so as to form one new word (e.g. easyJet, easyRentacar)". The "Getup" was defined as meaning "(a) white lettering on an orange background (panone 021C on glossy print materials; on other surfaces the nearest practical equivalent) and (b) in Cooper Black font (not bold, italics, outline nor underlined) the word 'easy' in lowercase followed (without space) by another word, only the initial letter of which is capitalised".
43. Pursuant to the easy Brand Consolidation Agreement, a series of assignments and licences were executed in the agreed forms. By way of example, easyJet plc entered into an assignment and a licence both dated 5 November 2000. The licence contained (at clause 3.2) a provision that all goodwill derived from the use of the rights licensed accrued to the benefit of easyGroup. It also contained (at clause 6.1.8) a provision that the licensee should not use the licensed rights or carry on its licensed activities "in any manner which (as compared with the standards of the industrial, professional, ethical, national or cultural context in which the use complained of takes place would be (or on a reasonable analysis would be highly likely in due course to be) materially detrimental to or inconsistent with the good name, goodwill, reputation and image" of easyGroup.

44. The licence was amended and re-stated on 10 October 2010 as part of the settlement of litigation between easyGroup and easyJet in which easyGroup alleged that easyJet had acted in breach of the original licence agreement. The amended and restated licence agreement provides (in clause 5.7.2) that easyJet is permitted to sell advertising in a defined Field to any third party “provided that the third party is not an Unethical Business”. It also provides (in clause 18.4) that easyGroup “shall, to the extent that it is aware of an issue, procure that its sub-licensees shall not conduct any business which is an Unethical Business”. “Unethical Business” is defined (in clause 1.1) as “any business or company that routinely disregards applicable laws and regulations and/ does not conform to the generally accepted standards of the industrial, professional, ethical, national or cultural context in which the business or company operates”.
45. As a result of the brand consolidation exercise, easyGroup became the holder of all the registered and unregistered intellectual property rights exploited by easyGroup’s licensees. Since then, easyGroup has been the applicant for any new trade mark registrations. easyGroup changed its name to its present one on 22 May 2014.
46. Since early 2000, first easyGroup (UK) Ltd and then easyGroup has maintained a “portal” website at [www.easygroup.co.uk](http://www.easygroup.co.uk) which gives consumers details of all of its activities and an up-to-date list of its brands and licensees with links to their respective websites. The first archived screenshot dates from 26 January 2000. Its appearance is difficult to make out from the archive, but it appears to have displayed logos for easyJet, easyEverything and easyRentacar with links to the respective websites. Since at least 9 October 2011 [www.easygroup.co.uk](http://www.easygroup.co.uk) has redirected to the [easy.com](http://easy.com) website.
47. Also since early 2000 first easyGroup (UK) Ltd and then easyGroup has maintained a website at [www.easy.com](http://www.easy.com). The first archived screenshot dates from 1 March 2000. This stated:
- “A business plan is being developed to transform [easy.com](http://easy.com) into a web based email provider, and ISP and/or portal site.”
- By August 2000, [www.easy.com](http://www.easy.com) was also being used as a “portal” website in parallel with [www.easygroup.co.uk](http://www.easygroup.co.uk). From at least 2011 [easy.com](http://easy.com) has been easyGroup’s principal portal.
48. In about January 2001 easyGroup launched a free email service via [easy.com](http://easy.com) which provided users with email addresses in the format [name@easy.com](mailto:name@easy.com). This service used the white and orange get-up and emails contained a footer stating “Sent by Mail at [easy.com](http://easy.com), an easyGroup company”. The email service provider, Commtouch, sold banner advertising which appeared at the bottom of the [easy.com](http://easy.com) email interface. [easy.com](http://easy.com) continues to provide a free email service which is currently used by about 5,000 people.
49. Prior to 7 January 2001 there were over 23,600 users of the [easy.com](http://easy.com) website. In the period from then until 5 December 2004 there were over 126,000 new users. In the years from 2006 to 2015 the number of users varied from a low of around 676,000 in 2013 to a high of over 1,205,000 in 2006.

50. In recent years, easyGroup has increasingly promoted itself as the licensor of the “easy-” brands and the easy.com website as a central source of information about those brands, using the slogan “easy.com the easy portal”. By way of example, on 29 September 2014 easyGroup placed an advertisement in The Guardian newspaper which explained that easyGroup “owns all the rights to the easy brand and is in the business of extending into other activities” than easyJet. In the summer of 2015 easyGroup arranged for a number of London taxis to be painted orange with the slogan in white on their fronts, sides and rears.
51. *easyValue*. easyValue was an online price comparison website that operated from November 2000 until 2004 from a website at www.easyvalue.com. It was promoted at easy.com and itself entered a sponsorship agreement with easyEverything. As with the launch of other “easy-” businesses, there was significant press coverage both before and after the launch. In December 2000 nearly £72,000 was spent on press advertising. By June 2001 monthly visits to the website had reached over 1 million and monthly turnover was over £250,000.
52. One of the services provided by easyValue from at least March 2001 was a property search service that gave access to over 70,000 properties across the UK.
53. *easyHotel*. Although Sir Stelios had mentioned in press interviews that he was contemplating extending the “easy-” brand to hotels as far back as October 1997, and hired architects in 2002, easyHotel was not launched until September 2004. Initially the business operated as a hotel booking facility via a website where customers could book rooms in over 19,000 hotels worldwide.
54. On 1 August 2005 the first easyHotel opened in Kensington, London. Subsequently easyHotels have been opened in a series of other countries, including Germany (Berlin) in 2010, the Netherlands (Amsterdam) in 2011 and Belgium (Brussels) in 2016. There are now 25 easyHotels in 16 cities and 8 countries, including some 13 cities in the EU. There are no easyHotels in Spain, Portugal, Italy, Ireland or Austria, however.
55. Both the launch of the business and the opening of the easyHotels attracted media coverage. In addition, easyHotel has engaged in online advertising. It has at all times been cross-promoted via the easy.com portal.
56. easyHotel’s annual turnover has grown from £189,000 in the year ending September 2005 to just under £20 million in the year ending September 2015.
57. *easyOffice*. From 2007 to date easyOffice has operated an online booking facility for serviced offices in the UK. From 2007 to July 2012 easyOffice also ran and arranged bookings for serviced offices at its own premises within the UK. The number of offices varied over time, but in October 2011 there were nine offices in England, seven of which were in London.
58. *easyProperty*. In May 2004 easyGroup was approached by Fish4Homes with the aim of using the brand easyProperty for an online real estate business, which led to the filing of an application to register the easyProperty trade mark. The discussions did not come to fruition, however.


59. In September 2012 Robert Ellice approached Sir Stelios to discuss setting up a residential property business under the name easyProperty. Heads of agreement were signed in November 2012. After considerable preparations, the business was launched in September 2014. As in other instances, there was significant media coverage before the launch. The business is carried on by eProp Ltd under licence from easyGroup. easyProperty's revenue in the year to 30 September 2015 was just over £144,000.
60. Prior to the launch, in July 2014, there were discussions between Mr Goudiaby and Mr Evans on behalf of W3 and Mr Ellice. Mr Ellice conveyed to Mr Goudiaby and Mr Evans that he was interested in some sort of merger of the easyProperty and EasyRoommate businesses. Mr Ellice did not mention any problem with the EasyRoommate name at the time. In September 2014 Mr Goudiaby told Mr Ellice that EasyRoommate was not in a position to advance discussions at that stage.
61. *easyCruise*. From December 2003 to 2013 easyCruise provided cruises around the Mediterranean and Caribbean. At its peak, it operated three vessels. It gained wide publicity due to being featured in a TV programme called *Cruise With Stelios*. Since 2013 easyCruise has operated as a travel agency service selling cruises worldwide.
62. *Other "easy-" brands*. easyGroup has at various times used, or licensed the use of, a number of other "easy-" brands in addition to those discussed above. In general, however, these are less relevant to the present case than those discussed above. For example, from August 2001 to 2006 easyMoney provided credit card services from the website easyMoney.com. I shall, however, mention a couple of other brands below.

### *EasyRent*

63. In September 1995 Mr Pons established a new residential letting agency business in New York City. The fundamental concept behind the business was to remove the traditional broker between landlords and tenants by putting landlords in direct contact with prospective tenants and vice-versa. Landlords would be offered the service for free while tenants would be charged a small subscription fee to access the agency's database of available properties during a defined period. Mr Pons intended to automate the process as much as possible to keep costs down and scale the business. Mr Pons coined the name Easy Rent for his new business. He engaged Anush Ramachandaran as a freelance software programmer to create a software platform for the business, and later a website.
64. On 22 September 1995 Mr Pons incorporated the New York company Database Management and Information Services Inc ("DMISI") as the corporate entity through which the Easy Rent business would be run. The business was launched in January 1996 and was initially run from an office in White Plains, New York. Its activities were limited to the USA. At some point Mr Ramachandran acquired a 15% shareholding in DMISI.
65. On 18 April 1996 Mr Pons caused the domain name easyrent.com to be registered in the name of Easy Rent. At some point between then and 13 April 1997 a website was launched which thereafter assumed increasing importance in the business. At some point between 13 April 1997 and 8 February 1998 the presentation of the name changed to EasyRent (with Easy in white and Rent in red). In about January 1998

DMISI engaged Mr Bougon as a freelance website designer for the EasyRent website. Between 1998 and 2004 there were a series of changes to the presentation of the website, including the EasyRent logo. The EasyRent business was ultimately sold to a third party in 2004.

*EasyRoommate*

66. By 1999 Mr Pons had started to consider expanding his EasyRent business by moving into the market for residential property-sharing. He began working on creating a sister business to EasyRent dedicated to the rental of rooms in – rather than the entirety of – a particular house or apartment. Mr Pons devised the name EasyRoommate for the new business. As Mr Pons and other W3 witnesses accepted, the name was intended to, and did, create a link to EasyRent through the common prefix “Easy-”. EasyRoommate also operated through DMISI.
67. On 9 February 1999 Mr Pons caused the domain name easyroommate.com to be registered. Mr Pons instructed Mr Bougon to create a design for a new EasyRoommate logo and website and to create a link to the EasyRoommate site from the EasyRent site. By 29 April 1999 the EasyRent site had a link to the EasyRoommate site. The earliest archived screenshot of the EasyRoommate site from 13 October 1999 shows the name with Easy in blue and Roommate in orange.
68. EasyRoommate was initially staffed by a series of interns employed by DMISI and located in EasyRent’s office in White Plains. One of these was Mr Goudiaby.
69. EasyRoommate has only ever been an online business. The EasyRoommate website enables people who have a room in their house or flat to rent to advertise it and people who want to rent a room to register their interest. Initially, it covered properties in New York and Boston, but this soon expanded to cover the whole of the USA. By mid-2000 it had expanded into Canada and then France (in the latter country, under the name Appartager).
70. During 2000 Mr Pons decided that the EasyRoommate service should be extended to customers in the UK. In around mid-2000, the functionality of the EasyRoommate website was upgraded to enable prospective landlords and renters from the UK to access the website and the service by setting up a subdomain of the main site (<http://uk.easyroommate.com>) to which UK residents were directed. The option to select “UK” from the “country” drop-down menu on the website was introduced by 15 August 2000. EasyRoommate’s first registered users via the UK subdomain were registered in August 2000.
71. From before 15 August 2000 to 1 April 2001 the website displayed this logo:  
The logo for EasyRoommate, featuring the word "Easy" in blue and "Roommate" in orange, with a blue underline.
72. On 21 March 2001 Mr Pons caused 24x7find.com LLC to be incorporated. Mr Ramachandran became a 15% shareholder in 24x7find.com LLC, and the ownership of DMISI was transferred to 24x7find.com LLC.

73. From 1 April 2001 to 26 November 2002 the website displayed this logo:



74. In about October 2002 Mr Pons assigned responsibility for the UK business to Mr Berton, who had joined the EasyRoommate team earlier that year as an intern.
75. In the second half of 2002 the EasyRoommate business started to expand to other European territories. The dates of first registered users via the relevant subdomains in the eight non-UK territories in issue are as follows (in the case of Belgium, the website was initially a French-language website branded Appartager, while a Dutch-language website was launched in Belgium in 2008):



August 2002	Belgium
October 2002	Ireland
November 2002	Italy the Netherlands
December 2002	Germany Spain
January 2004	Austria
August 2007	Portugal

76. From 26 November 2002 to 9 June 2004 the website displayed this logo:





77. In March or April 2003 DMISI ceased being the corporate entity through which the EasyRoommate business was carried on. Instead, Database Management and Information Services LLC (“DMISL”), a Delaware company also ultimately owned by Mr Pons, began to be the vehicle through which that business was operated. Mr Pons and Mr Badey gave evidence there was a written agreement pursuant to which DMISI’s assets were transferred to DMISL, although no copy of such an agreement can now be located. I shall return to this point below.
78. Mr Pons believes that, by mid-2003, EasyRoommate had become the largest property-sharing website in the UK. By June 2003 it had over 24,000 registered users.
79. As early as 2002, when Mr Berton took over principal responsibility for the EasyRoommate UK business, Mr Berton had raised concerns over what he perceived to be the unsuitability of the name EasyRoommate for UK-based consumers. Mr Berton’s concern was that the use of the word “roommate” in the UK would be understood as a reference to someone to share a room with as opposed to a flat or a house.



80. Some time in July 2003 EasyRoommate received a letter of complaint from easyGroup dated 30 June 2003 which led to correspondence between the parties which extended into 2004 (as to which, see below).
81. In the first half of 2004 Mr Pons and Mr Berton discussed the options and agreed to try using FlatmateWorld as the headline brand name for the UK arm of the EasyRoommate business. In order to maintain as much brand consistency as possible, however, they decided that the FlatmateWorld logo would retain the font and colour palette of the existing EasyRoommate logo and be accompanied by the wording “Powered by EasyRoommate”. The website also retained a copyright notice in the name of EasyRoommate. Moreover, uk.easyroommate.com remained the main domain name for UK customers and all the other URLs used at the time (including www.flatmateworld.co.uk and www.flatshare-house-share.co.uk) redirected to uk.easyroommate.com. The FlatmateWorld name did not appear on the EasyRoommate websites directed at consumers outside the UK.
82. As a first step, a disclaimer was put at the foot of the home page from 26 May 2004 which stated “We are not associated with the easyGroup”. This disclaimer stayed on the home page until around early 2007.
83. From 9 June 2004 to 26 February 2007 the UK website displayed this logo:
- 
- The image shows the FlatmateWorld logo. It features a small photograph of a woman with her arms raised in a celebratory gesture on the left. To the right of the photo, the word "FlatmateWorld" is written in a large, orange, sans-serif font. Below this, in a smaller, grey font, it says "Powered by EasyRoommate".
84. On 26 June 2006 W3 was incorporated under the name W3 Inc in the British Virgin Islands. On about 31 October 2006 W3 took over the EasyRoommate business from DMISL. Two written agreements were executed at that time between Mr Pons and W3 and between DMISL and W3 respectively. W3’s case is that the effect of the agreements was that the entirety of the EasyRoommate business outside of North America, including all goodwill relating thereto, was assigned to W3 at that time. I shall return to this below.
85. W3 did not itself carry out any operations. The EasyRoommate business outside of France was carried out by DMSI, which was incorporated for that purpose on 3 August 2006.
86. At the end of 2006, W3 took the decision to revert back from FlatmateWorld to EasyRoommate as the principal brand for the UK arm of the website. This change was effected in February 2007. Accordingly, from 26 February 2007 to 8 June 2009 the website displayed this logo to UK visitors:
- 
- The image shows the EasyRoommate logo. It features a small photograph of a woman with her arms raised in a celebratory gesture on the left. To the right of the photo, the word "EasyRoommate" is written in a large, orange, sans-serif font. Below this, in a smaller, grey font, it says ".com".
87. In September 2007 W3 appointed Alegro Capital to prepare an information memorandum and advise on a potential asset sale of the EasyRoommate business. At around that time, W3 was approached by SeLoger, a French company which operated a residential property website similar to Rightmove in the UK. Negotiations for the sale of the business progressed some considerable distance, to the extent that due

diligence exercises were undertaken and a €20 million price for the sale was discussed.

88. In the course of the negotiations, W3 disclosed to SeLoger, as it was obliged to do, the historic threats that had been made by easyGroup regarding the use of the EasyRoommate name. SeLoger withdrew from the discussions expressly because of these threats, although Mr Pons himself questioned whether that was the only reason.
89. In November 2007 a further company, W Services LLC, was incorporated to provide services to W3 outside of the US and Canada, which itself was the holding company for three further companies, one of which was ERM UK Ltd (“ERM”), an English company which carried out the EasyRoommate business outside of the US, Canada and France from 2008 to sometime prior to its dissolution in September 2013.
90. Given SeLoger’s expressed reason for walking away, possible alternative names for EasyRoommate were again discussed. No attractive alternative was found. Instead, W3 decided to try and demonstrate its existing rights to third parties by applying for and obtaining registration of the stylised word EasyRoommate as a UK trade mark for services in Classes 35, 36 and 43 (for further details, see below). Application number 2492498 was filed on W3’s behalf by Clintons on 11 July 2008. No opposition was filed, by easyGroup or anyone else, and the application proceeded to grant on 30 January 2009.
91. On 19 February 2009 easyGroup sent a further letter of complaint to Clintons. This led to correspondence which continued until 15 May 2009 (as to which, see further below).
92. From at least 15 May 2009 to 9 June 2012 the website displayed this logo:  
 . The foot of the homepage also carried a disclaimer stating “EasyRoommate is not associated with the EasyGroup” until the disclaimer was removed on 20 April 2011.
93. In October 2009 W3 acquired and started to use the domain name easyroommate.co.uk which had been registered by a third party in 2002. This did not materially alter the operation of the website in the UK, since this domain name re-directed to the same website.
94. On 31 August 2010 W3 transferred its domicile to Jersey and changed its name to its present name by way of a “continuance”. easyGroup accepts that the effect of this process was that W3 retained its corporate personality and continued to own all the assets (including goodwill) which it previously owned when domiciled in the BVI.
95. From 9 June 2012 to 30 September 2014 the website displayed this logo:  
 .
96. On 12 April 2011 easyGroup’s then solicitors, Clarke Willmott, sent a letter before claim to W3. This led to open correspondence which continued until 20 December

2011 and without prejudice correspondence which continued until January 2013 (as to which, see further below).

97. At an unspecified date between 2011 and 2013 the business of EasyRoommate outside of France, the US and Canada ceased to be carried on by ERM and instead began to be carried on by WDMUK, which had been incorporated in November 2007.
98. In the latter half of 2012 SeLogger revived its interest in purchasing the EasyRoommate business. Again, discussions reached an advanced stage and, again, W3 had to disclose easyGroup's historic threats. On 23 November 2012 SeLogger wrote to W3 with a final proposed offer in excess of US\$22 million for the sale of the business. As part of that offer, SeLogger required that W3 conclude a formal co-existence agreement with easyGroup prior to sale. When it became apparent that this could not be secured, SeLogger said it was only prepared to proceed with the purchase if it was free to change the name of the business following sale to something other than EasyRoommate. As part of the structure of the deal, W3 was to receive an earn-out based on the business performance post-sale and there was a significant concern on W3's part that any change in name would negatively affect the business's performance. W3 therefore responded saying that it was only willing to permit the change in name if SeLogger took the risk of a drop in business in terms of the purchase price. Ultimately, SeLogger again pulled out of the deal.
99. After the second failed SeLogger negotiation, in 2013 W3 again considered rebranding the EasyRoommate business and to that end appointed an external consultant. Again, no attractive alternative was identified and the EasyRoommate name was retained.
100. On 12 September 2014 easyGroup's current solicitors, then called Eversheds, sent W3 a further letter before claim. This led to correspondence which continued until 11 December 2014 (as to which, see below).

101. Since 30 September 2014 the website has displayed this logo:



102. In early 2015 W3 again considered rebranding the EasyRoommate business and again brought in an external consultant, Sparks Studio, to find an alternative name and advise W3 on rebranding more generally. Once again, the decision was ultimately made to continue with the EasyRoommate name.
103. In the light of that decision, and given the two failed sales, W3 decided to issue proceedings for groundless threats. This was not because it thought easyGroup would ever issue infringement proceedings, but because W3 wished to conclude the matter once and for all in a way that would satisfy a potential investor or purchaser. Accordingly, W3 commenced these proceedings on 21 May 2015.

#### *Vivastreet*

104. W3 also operates a classified advertising business under the name Vivastreet via websites such as one located at [www.vivastreet.co.uk](http://www.vivastreet.co.uk). That business provides

classified advertising listings online for a wide range of goods and services, including adult services. Vivastreet cross-promotes W3's EasyRoommate business under the "property" section of the site, including in respect of property rentals with an apparent connection to sexual services (for further details, see below).

*Third party uses of names which include the word EASY*

105. As noted above, W3 adduced evidence from Mr Wilner regarding searches he had conducted in telephone directories. He examined London postal area directories published by British Telecommunications plc from 2000 to 2017 looking for listings of businesses with names that began with the prefix or word "Easy" (i.e. names taking the form "Easycall" or "Easy Cars" - it is notable that easyGroup businesses are usually listed with an uppercase initial E) or variants thereof (such as "Easi" and "Eazy"). He also examined directories for areas outside London published in 2000. He also conducted some further research with respect to both accommodation- or property-related Easy businesses and some non-accommodation or property-related Easy businesses. As also noted above, Mr Wilner's work was reviewed by Mr Prim for easyGroup. Mr Prim only reviewed the London directories at three year intervals from 2000 to 2012 in the interests of proportionality.
106. Mr Wilner and Mr Prim agreed that the numbers of businesses with names beginning with the prefix or word "Easy" listed in the London directories for 2000, 2003, 2006, 2009 and 2012 were as set below. I have added Mr Wilner's unchallenged figure for 2015.

2000	41
2003	61
2006	56
2009	39
2012	40
2015	48

107. Although the number of businesses in 2012 was approximately the same as in 2000, these were not all the same businesses. On the contrary, a considerable number of businesses had come and gone during that period. By 2015 the turnover compared to 2000 was even higher.
108. There was less agreement with respect to the numbers of businesses in the London directories with names beginning with variants of "Easy", but the numbers arrived at by Mr Wilner and Mr Prim are not far apart. If one takes the slightly lower numbers counted by Mr Prim, they vary between a low of three in 2000 to a high of 13 in 2006.
109. As for the directories for areas outside London in 2000, Mr Wilner's evidence was that these listed 272 businesses with "Easy" names and 60 with variants. Mr Prim's evidence suggests that these numbers may be slightly, but not significantly, overstated.

110. Turning to accommodation- or property-related Easy businesses, Mr Wilner's evidence can be summarised as follows:
- i) *Easy Offices UK*. Nuclei Ltd was incorporated on 29 November 1999 and appears to have traded as Easy Offices (UK) providing advice on serviced offices since at least 18 August 2000 from a website at [www.easyoffices.com](http://www.easyoffices.com). Its turnover rose from just over £291,000 in the year ending 30 November 2001 to over £809,000 in the year ending 31 December 2015.
  - ii) *Easy London Accommodation*. [Easylondonaccomodation.com](http://Easylondonaccomodation.com) Ltd was incorporated on 25 June 2001 and dissolved on 20 March 2007. [Easylondonaccomodation](http://Easylondonaccomodation.com) Ltd was incorporated on 13 October 2011. It is unclear whether the second company is related to the first, or if so how, but both appear to have traded as Easy London Accommodation providing services relating to rental accommodation from a website at [www.easylondonaccommodation.com](http://www.easylondonaccommodation.com). No turnover figures are available.
  - iii) *Easy Properties London*. Easy Properties London Ltd was incorporated (as Easy London Properties Ltd) on 13 July 2004. It appears to have traded as an estate agency and lettings agency since at least 2005. Since at least 19 November 2009 it has done so from a website at [www.easypropertieslondon.co.uk](http://www.easypropertieslondon.co.uk). It had a turnover of £21,650 in the year ending 31 November 2005. More recent turnover figures are not available.
  - iv) *Easy Let*. Easy Let Rental Agents Ltd was incorporated on 1 May 2003. It appears to have traded as a rental agent under the name Easy Let since at least 28 January 2004 from a website at [www.easyletproperty.co.uk](http://www.easyletproperty.co.uk). No turnover figures are available.
  - v) *Easyway*. Easyway appears to have carried on business as an estate agency under that name since at least 7 April 2000 from a website at [www.easyway.co.uk](http://www.easyway.co.uk). No turnover figures are available.
111. One of the four non-accommodation or property-related Easy businesses discussed by Mr Wilner is Easynet. Easynet appears to have been founded in 1994. The initial trading company appears to have been Easynet Ltd which appears to have been incorporated in 1994. Easynet Group Plc was incorporated as the parent company of the Easynet group on 13 December 1995. Since at least 22 September 1998 another subsidiary has owned the domain name [easynet.com](http://easynet.com). From at least 19 June 2000 until early 2016 the group maintained a website at [www.easynet.com](http://www.easynet.com). By 2001 the group was a successful internet services provider, its turnover for the year ending 31 December 2001 being over £53.4 million. The group was owned by British Sky Broadcasting from 2006 to 2010 and by Lloyds Development Capital from 2010 to September 2015 when it was acquired by Interoute Communications Ltd ("Interoute"), which appears to have integrated Easynet's business into its own business trading under the name Interoute. Despite this, easyGroup commenced proceedings against Interoute and two former Easynet companies for trade mark infringement and passing off on 23 December 2016. Sir Stelios gave evidence that those proceedings were ongoing.

112. During his cross-examination of Sir Stelios, counsel for W3 pointed out that one of the easyJet in-flight magazines disclosed by easyGroup and referred to in Sir Stelios' first witness statement, namely the *easyCome easyGo* winter 1996 edition, contained an advertisement placed by Easynet. This referred (among other things) to "Cyberia, our International award winning group of Internet Cafés", although it was stated in the small print that Easynet was "the official access provider to Cyberia". It was put to Sir Stelios that Easynet was perfectly entitled to trade under that name. Sir Stelios was reluctant to be drawn on that question. He explained that, so far as he could recall, he had not been aware of the advertisement at the time, and that the space would have been sold by an advertising salesman. He nevertheless asked the rhetorical question, "why were they advertising in the magazine?" Regardless of Easynet's intentions, there is also the question of what passengers who saw the advertisement will have thought. Sir Stelios was not aware of any evidence of confusion, but the incident was over 20 years ago.

*easyGroup's brand protection efforts*

113. Sir Stelios' recollection was that it was in 1998 that he first experienced the phenomenon known as "cyber-squatting" and that he first hired staff to deal with cyber-squatters and what he termed "brand thieves". He explained that, in the early years, easyGroup had a limited budget for addressing these problems and had to be selective about those whom they took action against. Nevertheless, easyGroup did take action against various parties, with varying degrees of success, whether by way of claims for passing off or complaints under the Uniform Dispute Resolution Policy for domain names or otherwise.
114. Counsel for W3 pointed out that, prior to the easy Brand Consolidation Agreement, easyJet, EasyEverything, easyRentacar and easyGroup were separate companies with separate rights. I do not see the relevance of this. They were all controlled by Sir Stelios, and they could and did combine to take action against third parties: see e.g. *easyJet Airline Co Ltd v Dainty* [2002] FSR 6. Moreover, easyGroup is the successor in title to the rights held by the other companies prior to the Brand Consolidation Agreement.
115. It was around the time of the easyJet flotation that Sir Stelios started fully to appreciate the value of obtaining registered trade marks, which led to easyGroup embarking upon an extensive registration programme. easyGroup now has over 1,000 trade mark registrations worldwide, as well as around 2,500 domain names.
116. Since at least November 2002 easyGroup has had a link from the homepage of the easy.com website to a page which invites visitors to help easyGroup to stop "brand thieves" by reporting instances to domains@easygroup.co.uk ("the domains email address"). By way of example, as at 2 March 2005, the relevant page included the following text:

"Some people think they can make a fast buck by stealing our name and our reputation. They set up websites and companies using the name 'easy' (or phonetic versions of it) which can either pay a passing resemblance to an easyGroup company or be a direct copy.

Sometimes these people ask us for money, sometimes they just hope consumers will think they are an easyGroup company and will part with their money. If you see a company that you think is disguising itself as an easyGroup company or that is trying to piggyback off our brand in any way, then please help us to protect both the consumer and our brand. Please email any information to [domains@easyGroup.co.uk](mailto:domains@easyGroup.co.uk) and indicate if at any stage you have been under the impression that this was a genuine easyGroup company set up by our founder and chairman Stelios. Evidence of confusion helps our case.”

117. The page also included reports of successful brand protection efforts going back to September 2003. The page has been periodically updated with further such reports since 2005, but continues to include the text set out above.
118. Since at least July 2009 easyGroup has had a Brand Manual which explains in considerable detail how easyGroup licensees should present their brands. This makes it clear that their logos should be “differentiated through the descriptive word (or words) after ‘easy’” and that the logos should render their brand names in Cooper Black font and in white upon orange. The Brand Manual states that “all easyGroup licensees are required to include the legend ‘by Stelios and easy.com’ on their website homepage”, although this is not in fact a contractual requirement.
119. In 2010, following the renegotiation of the brand licence between easyGroup and easyJet, a Brand Protection Committee was set up with a substantial annual budget for combatting intellectual property infringements.

*Complaints by easyGroup to EasyRoommate*

120. It appears that easyGroup first became aware of EasyRoommate on 12 June 2003 when an Ian Lowman sent an email to the domains email address with the subject “<http://www.easyroommate.com>” saying:

“The site doesn’t always work but check out the google cached version if it’s not working. I wasn’t sure if it was part of the brand until I saw how bad the page was then I realised it couldn’t be!”

121. On 21 June 2003 a Simon D’Urso sent an email to the domains email address with the subject “[easyroommate.com](http://www.easyroommate.com)” saying:

“I was recently looking for a flatmate some friends recommended [easyroommate.com](http://www.easyroommate.com), saying it was part of the easy group.

Indeed, the colour scheme looks similar, orange text, etc, but having seen it, I’m not convinced and don’t think it is part of the easy group afterall.

Thought this a bit naughty really, my mates were certainly deceived!!”

(These two emails are relied upon by easyGroup as instances of confusion, and I shall consider them further in that context below.)

122. Perhaps prompted by these emails, on 30 June 2003 Eddy Whatt of easyGroup sent a letter to EasyRoommate at its postal address in White Plains complaining that the domain name easyroommate.com directed to a website offering services to consumers in several countries including the UK and that it was likely that customers would be confused into believing that services offered under this domain name and business name were connected with or authorised by easyGroup. easyGroup threatened to bring proceedings, but expressed a preference for concluding matters amicably. To that end, it requested that (a) the domain name was transferred to easyGroup and (b) no further services were supplied under or by reference to the name EASYROOMMATE.
123. On 21 August 2003 Mr Whatt sent a further copy of the letter dated 30 June 2003 to EasyRoommate by email. The email included what appears to have a standard paragraph in the footer in the following terms:

“Intellectual Property: The easyGroup of companies has built up a significant reputation in the name ‘easy’ and has a number of trademark applications and registrations in many countries. easyGroup cannot permit others to use the ‘easy’ name without the group’s rights being prejudiced. It follows that no use should be made of the name ‘easy’ (or anything similar to it) without our consent.”
124. On 22 August 2003 Mr Pons replied apologising for the delay in responding to the letter dated 30 June 2003. He explained that easyroommate.com had been purchased in February 1999 and that EasyRoommate was an extension of EasyRent which dated back to 1996. He finished by asking Mr Whatt to put him in touch with the appropriate people within easyGroup who worked in corporate finance/development since “it seems the philosophy of these 2 sites fit well with the philosophy of the easyGroup”.
125. Mr Whatt replied on 26 August 2003 asking for some further information. Mr Pons responded with two emails the same day. Mr Whatt sent a further email on 27 August 2003 asking for information, evidently following a telephone conversation. Mr Pons replied the same day saying he was referring the matter to EasyRoommate’s US attorneys. Mr Whatt replied the same day saying he would wait to hear from them.
126. On 24 November 2003 Mr Whatt sent a further email expressing concern that he had not heard anything further and that EasyRoommate was offering services “in the UK (and Europe), using an EASY name.” He asked for answers to two questions he had posed on 27 August 2003 and said that if he did not receive a response he would have to escalate the matter. Mr Pons replied later the same day. On 14 January 2004 Mr Whatt sent a further email demanding a response to his questions within seven days. It does not appear that there was any reply to this.
127. On 5 February 2004, Della Burnside, then Head of Legal at easyGroup, sent a three page letter before action to Mr Pons detailing the activities and reputations of easyJet, easyEverything/easyInternetCafé, easyRentacar/easyCar and easyGroup’s other



businesses, alleging passing off by EasyRent and EasyRoommate and threatening to issue English court proceedings unless the easyrent.com and easyroommate.com domain names were deleted and there was an agreement to cease supply of all services under those (or any other EASY) names. She strongly recommended that Mr Pons take English legal advice.

128. Following a holding response on 20 February 2004, on 4 March 2004 solicitors instructed by DMISL, Shaw & Croft, replied to the letter dated 5 February 2004 denying the allegations. On 13 April 2004 Ms Burnside replied asking when DMISL had first used the easyrent and easyroommate domain names directed to UK consumers and expressing the opinion that confusion was likely. There were further exchanges between Shaw & Croft and Ms Burnside on 13 May 2004, 22 June 2004, 22 July 2004 and 26 July 2004. On 19 August 2004 Shaw & Croft wrote to easyGroup for Ms Burnside's attention saying:

“Our clients do not accept that you have any proprietary rights in the use of the word ‘easy’. To take account of your concerns our clients have re-designed their websites since this correspondence commenced and, specifically, at the foot of the home page of the UK section, i.e. UK.easyroommate.com, it clearly states: ‘We are not associated with the easyGroup’.

You will also note that the colour used for the words EasyRoommate has been changed to light blue. We do not accept that the colour previously used was so similar to the colour used by easyGroup that there was any risk of confusion and our clients have voluntarily made this alteration to make the distinction even plainer.

In summary, our clients feel that they have done all that they can reasonably be expected to do to accommodate your concerns.”

129. On 16 September 2004 Ms Burnside sent Shaw & Croft draft Particulars of Claim settled by specialist IP counsel and gave DMISL 14 days in which to reconsider its position. The draft Particulars of Claim alleged that the carrying on of the EasyRoommate business in the UK amounted to passing off. It appears that Shaw & Croft did not respond, and on 8 October 2004 Ms Burnside sent a chasing letter. On 16 October 2004 Shaw & Croft replied saying that they were awaiting counsel's advice.

130. On 8 November 2004 Shaw & Croft responded denying passing off but stating:

“... our clients have sought to respond to your principals' concerns by:

- (i) Changing the colour used for the name in the header on the home page to blue.

- (ii) Putting a disclaimer at the foot of the home page making it plain that there is no connection between our clients' business activities and your clients.
- (iii) As a final gesture our clients have renamed the UK section of the site to 'Flatmate World'.

This final gesture is temporary, but will become permanent if no objection is received within 7 days of today. Our clients have already amended the site and we would invite you to visit it. In the absence of a positive response from you, the site will revert to its former name."

131. easyGroup did not reply to this letter, but DMISL did not change the brand name back to EasyRoommate. In 2007, however, W3 rebranded the UK operation to EasyRoommate and the disclaimer was removed as discussed above, but W3 did not notify easyGroup of this. It should be noted, on the other hand, that easyGroup does not contend that this amounted to a breach of contract.
132. It was Sir Stelios' evidence that the dispute between easyGroup and DMISL had been handled by Mr Whatt and Ms Burnside pursuant to the authority they had as employees of easyGroup and without, so far as Sir Stelios could recollect, his personal involvement or knowledge. Sir Stelios first became aware of EasyRoommate when he saw an article in *The Sunday Times* dated 25 January 2009 which appeared in the "easy-Brand Theft" section of a media coverage service provided by Durrants to which easyGroup subscribed. He was concerned about EasyRoommate's use of "Easy" and orange, and so he asked his legal team to investigate.
133. On 19 February 2009 easyGroup wrote to Clintons (as the solicitors who were on the record as acting for W3 in respect of its application to register EasyRoommate as a trade mark in the UK). The letter referred to what Shaw & Croft had said in their letter dated 18 August 2004 and said that, relying upon those statements, easyGroup had not pursued the matter further. (That was inaccurate, since easyGroup had pursued the matter in its letter dated 16 September 2004 and obtained a further concession in Shaw & Croft's letter dated 8 November 2004; but there was no mention of this.) easyGroup noted that the disclaimer had been removed and that the name EasyRoommate was written in orange instead of blue and invited W3 to reinstate the changes referred to in the letter dated 18 August 2004. The letter ended:
- "We note that your client's UK TM Application is approaching the end of the opposition period. As a gesture of goodwill and in the hope of reaching an amicable solution, we do not propose to commence opposition proceedings at this time. We trust that your client will reciprocate and make the changes referred to above.
- In the meantime, all rights against your client are reserved."
134. There was no response from Clintons to this letter, and on 3 April 2009 Kirsten Doherty of easyGroup emailed a copy directly to EasyRoommate. On 16 April 2009 Ms Doherty sent a further email asking for a response. On 17 April 2009 Mr

Goudiaby replied saying that EasyRoommate “will make the appropriate changes”. On 17 April 2009 Ms Doherty responded seeking confirmation of the changes that would be made. On 19 April 2009 Mr Goudiaby replied agreeing to implement a disclaimer, but not to change the colour of the logo. On 23 April 2009 Ms Doherty responded demanding that the logo be changed as well.

135. On 15 May 2009 Ms Doherty sent a further email saying that she was very pleased that a disclaimer had been added to the EasyRoommate website and that some blue had been incorporated in the logo. Whilst noting that the logo was not blue in its entirety, Ms Doherty said easyGroup would “consider the matter closed if you change the current version of the logo slightly by making the ‘R’ in ‘Roommate’ lower case - ie writing the name as ‘Easyroommate’. This change would also need to be reflected in general text.”
136. Mr Goudiaby did not reply to the email and W3 did not change the EasyRoommate logo in the manner requested. The disclaimer remained in place until April 2011 when it was unilaterally taken down.
137. On 12 April 2011 easyGroup’s then solicitors, Clarke Willmott, sent EasyRoommate a detailed three-page letter before action (plus seven annexes) threatening to bring proceedings for (a) infringement of easyGroup’s EU trade marks and (b) passing off unless undertakings were given. This letter is relied on by W3 in support of its claim for unjustified threats, and I shall consider it in more detail in that context. At this stage, it may be noted that, although the letter referred in general terms to “your previous communications with our client in 2009” and said that “your disclaimer is irrelevant when it comes to assessing trade mark infringement and will do nothing to avoid passing off”, no complaint was made about W3 renegeing on previous commitments.
138. On 20 April 2011 Clintons wrote to Clarke Willmott recording that they were instructed by W3 and saying:

“We note that you are aware of previous communications between our respective clients, in which all of the issues were addressed. Please note that Our Client considered the matter closed many years ago.”
139. Clarke Willmott replied on 28 April 2011 saying that the dispute had not been resolved and that they did not understand why W3 considered it closed many years ago and asking for a substantive response to their letter of 12 April 2011. After further exchanges on 4 May 2011 and 25 May 2011, Clintons sent a three-page response on 28 June 2011 disputing that W3’s acts constituted trade mark infringement or passing off. The letter referred to the correspondence between the parties between February and November 2004 and between February and May 2009 as demonstrating easyGroup’s awareness of the use of EasyRoommate in the UK since 2001. I note in passing that the letter referred to use of EasyRoommate having been commenced by W3’s predecessor DMISL in 1999, and did not mention DMISI.
140. After a holding response on 13 July 2011, Clarke Willmott replied on 25 November 2011, enclosing further draft Particulars of Claim which alleged trade mark infringement and passing off through use of the EasyRoommate mark. This letter is



also relied on by W3 in support of its claim for unjustified threats, and I shall return to it in that context.

141. On 7 December 2011 Clintons replied saying that Clarke Willmott had failed to respond substantively to certain points raised in the letter dated 28 June 2011. On 20 December 2011 Clarke Willmott sent a four-page response.
142. I was informed that, after the 20 December 2011 letter, there had been without prejudice correspondence between the parties until January 2013, but no agreement was reached.
143. On 12 September 2014 Eversheds wrote to W3 on behalf of easyGroup threatening to bring proceedings for trade mark infringement and passing off unless W3 gave undertakings. This letter is also relied on by W3 in support of its claim for unjustified threats, and I shall return to it in that context. There were then exchanges of correspondence on 26 September 2014, 2 October 2014, 8 October 2014, 28 October 2014, 5 November 2014, 14 November 2014, 4 December 2014 and 11 December 2014 which concluded with Clintons saying that they were authorised to accept service of proceedings on behalf of W3. In the event, however, proceedings were not initiated by easyGroup, but by W3.

easyGroup's EU trade marks

144. easyGroup is the registered proprietor of the EU trade marks listed below. The services listed are those relied upon by easyGroup for the purposes of its infringement claims. It should be noted that the Class in the Nice Classification which was numbered 42 at the time the earlier applications were filed was subsequently re-numbered 43.

No	Mark	Services	Filing date	Date published	Date registered
1232909	EASYJET	39: airline services 42: temporary accommodation	01/07/99	17/07/00	04/11/02
1699792	EASY	35: advertising 42: temporary accommodation	09/06/00	18/08/03	13/07/06
1866706	easyHotel	35: advertising 42: temporary accommodation, room hire services	21/09/00	18/02/02	30/06/04
2469708	<b>easyDorm</b>	42: temporary accommodation; hotel management and reservation services	09/11/01	25/11/02	04/08/03
2610160	EASYGROUP	35: advertising	04/03/02	10/11/03	13/02/06

		marketing and publicity services 36: real estate affairs 43: temporary accommodation			
2835197	EASY.COM	36: real estate affairs 43: temporary accommodation	20/08/02	10/11/03	17/06/05
2907509	EASYOFFICE	36: rental of offices, leasing of office space, letting of office space 43: hire of temporary office space; rental of meeting rooms; providing facilities for exhibitions and conferences; room rental for exhibitions	18/10/02	29/09/03	16/08/04
3090958		35: advertising marketing and publicity services 36: real estate affairs 43: temporary accommodation	06/03/03	01/11/04	23/02/07
3838414		35: advertising; advertising of real estate sales, rentals, valuations, management and advice	24/05/04	28/02/05	27/09/05







The signs complained of

145. So far as the UK is concerned, easyGroup complains of the use by W3 of the following signs in relation to “the provision of online advertising services concerning the facilitation or advertisement of accommodation services relating to the finding and matching of flatshares, houseshares and shared accommodation”:

- i) EasyRoommate;
- ii) easyroommate; and

iii) the  logo (“the Roof Logo”).

146. easyGroup’s complaint extends to eight additional EU member states, namely Austria, Belgium, Germany, Ireland, Italy, the Netherlands, Portugal and Spain. The signs complained of in Ireland are the same as those in the UK. As for the remaining seven territories, the additional signs complained of are as set out in the table below (with the English language translation of the non-easy word in the final column). They are referred to in these proceedings as “the European Equivalents”.

Country	Additional signs	Translation
Netherlands	EasyKamer 	room
Austria and Germany	EasyWG 	WG is an abbreviation of <i>Wohngemeinschaft</i> (residential community)
Belgium	EasyKot 	accommodation
Spain	EasyPiso 	flat
Italy	EasyStanza 	room
Portugal	EasyQuarto 	bedroom

Key legislative provisions

147. The events with which the trade mark aspects of this case are concerned range in time from at least 1 July 1999 (the date of filing of the EASYJET trade mark) until now. For much of this period, the legislation which governed what were then called Community trade marks and are now called EU trade marks was Council Regulation 40/94/EC of 20 December 1993 on the Community trade mark (“the Regulation”). This was subsequently replaced by Council Regulation 207/2009/EC of 26 February 2009, which has in turn been amended by European Parliament and Council Regulation 2015/2424/EU of 16 December 2015 and then replaced by European Parliament and

Council Regulation 2017/2001/EU of 14 June 2017. In general, there is no material difference for present purposes between the relevant provisions of the Regulation and their successors, although the numbering of the articles has changed. For convenience, save where specified to the contrary, I shall refer to the relevant provisions as they stood in the Regulation.

148. The key provisions of the Regulation were as follows:

*“Article 7*

**Absolute grounds for refusal**

1. The following shall not be registered:

...

- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service;

...

- 2. Paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community.
- 3. Paragraph 1 (b), (c) and (d) shall not apply if the trade mark has become distinctive in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.

*Article 8*

**Relative grounds for refusal**

1. Upon opposition by the proprietor of an earlier trade mark, the trade mark applied for shall not be registered:

...

- (b) if because of its identity with or similarity to the earlier trade mark and the identity or similarity of the goods or services covered by the trade marks there exists a likelihood of confusion on the part of the public in the territory in which the earlier trade mark is protected; the likelihood of confusion includes the likelihood of association with the earlier trade mark.

...

4. Upon opposition by the proprietor of a non-registered trade mark or of another sign used in the course of trade of more than mere local significance, the trade mark applied for shall not be registered where and to the extent that, pursuant to the law of the Member State governing that sign,
  - (a) rights to that sign were acquired prior to the date of application for registration of the Community trade mark, or the date of the priority claimed for the application for registration of the Community trade mark;
  - (b) that sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.

*Article 9*

**Rights conferred by a Community trade mark**

1. A Community trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

...

- (b) any sign where, because of its identity with or similarity to the Community trade mark and the identity or similarity of the goods or services covered by the Community trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark;
- (c) any sign which is identical with or similar to the Community trade mark in relation to goods or services which are not similar to those for which the Community trade mark is registered, where the latter has a reputation in the Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the Community trade mark.

...

*Article 15*

**Use of Community trade marks**

1. If, within a period of five years following registration, the proprietor has not put the Community trade mark to genuine use in the Community in connection with the goods or services



in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the Community trade mark shall be subject to the sanctions provided for in this Regulation, unless there are proper reasons for non-use.

2. The following shall also constitute use within the meaning of paragraph 1:
  - (a) use of the Community trade mark in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered;

...

#### *Article 50*

#### **Grounds for revocation**

1. The rights of the proprietor of the Community trade mark shall be declared to be revoked on application to the Office or on the basis of a counterclaim in infringement proceedings:
  - (a) if, within a continuous period of five years, the trade mark has not been put to genuine use in the Community in connection with the goods or services in respect of which it is registered, and there are no proper reasons for non-use; ...
2. Where the grounds for revocation of rights exist in respect of only some of the goods or services for which the Community trade mark is registered, the rights of the proprietor shall be declared to be revoked in respect of those goods or services only.

#### *Article 51*

#### **Absolute grounds for invalidity**

1. A Community trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings,
  - (a) where the Community trade mark has been registered in breach of the provisions of Article 5 or of Article 7;...
2. Where the Community trade mark has been registered in breach of the provisions of Article 7 (1) (b), (c) or (d), it may nevertheless not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired

a distinctive character in relation to the goods or services for which it is registered.

3. Where the ground for invalidity exists in respect of only some of the goods or services for which the Community trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

*Article 52*

**Relative grounds for invalidity**

1. A Community trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings:

- (a) where there is an earlier trade mark as referred to in Article 8 (2) and the conditions set out in paragraph 1 or paragraph 5 of that Article are fulfilled;

...

- (c) where there is an earlier right as referred to in Article 8 (4) and the conditions set out in that paragraph are fulfilled.

...

4. Where the proprietor of one of the rights referred to in paragraphs 1 or 2 has previously applied for a declaration that a Community trade mark is invalid or made a counterclaim in infringement proceedings, he may not submit a new application for a declaration of invalidity or lodge a counterclaim on the basis of another of the said rights which he could have invoked in support of his first application or counterclaim.

...”

149. Parallel provisions were contained in Articles 3(1)(c),(3), 4(1)(b),(3)(b), 5(1)(b),(2), 10(1),(2)(a), 12(1) and 13 of Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (“the Directive”), which was replaced by European Parliament and Council Directive 2008/95/EC of 22 October 2008, which has in turn been replaced by European Parliament and Council Directive 2015/2436/EU of 16 December 2015. Those provisions are implemented in the United Kingdom by sections 3(1)(c), 5(2),(4), 10(2),(3), 46(1)(a) and 47(1) of the Trade Marks Act 1994.

The average consumer

*The law*

150. It is settled that many issues in European trade mark law fall to be assessed from the perspective of the “average consumer” of the relevant goods or services, who is deemed to be reasonably well-informed and reasonably observant and circumspect. I reviewed this concept in *Enterprise Holdings Inc v Europcar Group UK Ltd* [2015] EWHC 17 (Ch), [2015] FSR 22 at [130]-[138]. Since then, it has been considered by the Court of Appeal in *London Taxi Corporation Ltd v Frazer-Nash Research Ltd* [2017] EWCA Civ 1729, where Floyd LJ (with whom Kitchin LJ agreed) said:
- “31. I agree ... that the notion of an average consumer requires the court to consider any relevant class of consumer, and not to average them. I believe that conclusion to be consistent with the approach taken by this court in *Interflora Inc and another v Marks and Spencer plc* ...
34. As with all issues in trade mark law, the answer to disputed questions is normally provided by considering the purpose of a trade mark which, broadly speaking, is to operate as a guarantee of origin to those who purchase or use the product. In principle, therefore, and in the absence of any authority cited to us which is directly in point, I would consider that the term average consumer includes any class of consumer to whom the guarantee of origin is directed and who would be likely to rely on it, for example in making a decision to buy or use the goods....”

*The present case*

151. Counsel for W3 submitted that the average consumer for the purposes of easyGroup’s infringement claims was a consumer of the services provided by W3 under the signs complained of. There were two types of consumer: those seeking accommodation and those offering accommodation. Mr Evans’ evidence was that those seeking accommodation were typically 16-25 year old students or young professionals. There is no evidence as to the attributes of those offering accommodation, but they are likely to be older and better-off. Counsel for W3 submitted that both would exercise a relatively high degree of attention, and that both would primarily perceive the trade marks and signs visually, since the services were provided via a website, although there was room for recommendation by word-of-mouth. The only point with which counsel for easyGroup took issue was as to the level of attention, which he submitted would not be particularly high. In my view, the level of attention would be moderately high.
152. Counsel for W3 submitted that the average consumer for the purposes of the challenges to the validity of the various trade marks was a consumer of the services for which they were registered that were in issue, and in particular advertising and temporary accommodation. He further submitted that there was a wide range of consumers of these services, but that, given that they overlapped with consumers of W3’s services, it was not necessary to draw any distinction between them. Counsel for easyGroup did not take issue with this.

Validity of the EASY trade mark

153. W3 contends that easyGroup's EASY trade mark is invalid on the ground that it was registered contrary to Article 7(1)(c) of the Regulation since it was descriptive. easyGroup disputes that the mark was descriptive, and in the alternative contends that it has acquired a distinctive character as a result of the use made of it under Article 7(3).

*The law*

154. *Article 7(1)(c) of the Regulation.* The principles to be applied under Article 7(1)(c) were summarised by the Court of Justice of the European Union in Case C-51/10P *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market* [2011] ECR I-1541 as follows (citations omitted):

“33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), ...

36. ... due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94. Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it ....

37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services ....

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94, it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes ....

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question .... It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration ....

...

46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive ....
  47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation ..., Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.
  48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.
  49. The situations specifically covered by Article 7(1)(c) of Regulation No 40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a ‘characteristic’ of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94, the terms ‘the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service’, the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.
  50. The fact that the legislature chose to use the word ‘characteristic’ highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics ....”
155. In addition, a sign is excluded from registration by Article 7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see Case C-191/01 *Office for Harmonisation in the Internal Market v Wm Wrigley Jr Co* [2003] ECR I-12447 at [32] and Case C-363/99 *Koninklijke KPN Nederland BV v Benelux-Merkenbureau* [2004] ECR I-1619 at [97].

156. *Acquired distinctive character.* I reviewed the law on acquired distinctiveness in *Société des Produits Nestlé SA v Cadbury UK Ltd* [2014] EWHC 16 (Ch), [2014] ETMR 17 (“*Nestlé v Cadbury P*”) at [39]-[48] and *Enterprise v Europcar* at [151]-[152]. The following propositions of law are settled by the decisions of the CJEU which I cited in those judgments.
157. First, for a trade mark to possess distinctive character, it must serve to identify the goods or services in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish the goods or services from those of other undertakings.
158. Secondly, the distinctive character of a trade mark must be assessed by reference to (i) the goods or services in respect of which registration has been applied for and (ii) the perception of the average consumer of those goods or services, who is deemed to be reasonably well-informed and reasonably observant and circumspect.
159. Thirdly, the criteria for assessment of distinctive character are the same for all categories of trade marks, but nevertheless the perception of the relevant public is not the same for all categories of trade marks and it may therefore be more difficult to establish distinctive character in relation to some categories (such as shapes, colours, personal names, advertising slogans and surface treatments) than others.
160. Fourthly, in assessing whether a trade mark has acquired a distinctive character the competent authority must make an overall assessment of the relevant evidence, which in addition to the nature of the mark may include (i) the market share held by goods bearing the mark, (ii) how intensive, geographically widespread and long-standing the use of the mark has been, (iii) the amount invested by the proprietor in promoting the mark, (iv) the proportion of the relevant class of persons who, because of the mark, identify the goods or services as emanating from the proprietor, (v) evidence from trade and professional associations and (vi) (where the competent authority has particular difficulty in assessing the distinctive character) an opinion poll. If the relevant class of persons, or at least a significant proportion of them, identifies goods or services as originating from a particular undertaking because of the trade mark, it has acquired a distinctive character.
161. Fifthly, with regard to the acquisition of distinctive character through use, the identification by the relevant class of persons of the product or service as originating from a given undertaking must be as a result of the use of the mark as a trade mark. The expression “use of the mark as a trade mark” refers solely to use of the mark for the purposes of the identification, by the relevant class of persons, of the product as originating from a given undertaking.
162. Sixthly, a trade mark may acquire a distinctive character in consequence of the use of that mark as part of, or in conjunction with, another trade mark (which may itself be a registered trade mark).
163. Seventhly, it is not possible to state in general terms, for example by referring to predetermined percentages relating to the degree of recognition attained by the mark within the relevant section of the public, when a mark has acquired a distinctive character through use. Nor can the results of a consumer survey be the only decisive

criterion to support the conclusion that a distinctive character has been acquired through use.

164. In answer to the first question referred in *Nestlé v Cadbury I*, the CJEU ruled in Case C-215/14 *Société des Produits Nestlé SA v Cadbury UK Ltd* [EU:C:2015:604], [2015] Bus LR 1034 that:

“in order to obtain registration of a trade mark which has acquired a distinctive character following the use which has been made of it ..., regardless of whether that use is as part of another registered trade mark or in conjunction with such a mark, the trade mark applicant must prove that the relevant class of persons perceive the goods or services designated exclusively by the mark applied for, as opposed to any other mark which might also be present, as originating from a particular company.”

165. This ruling was considered by the Court of Appeal in *Société des Produits Nestlé SA v Cadbury UK Ltd* [2017] EWCA Civ 358, [2017] Bus LR 1832 (“*Nestlé v Cadbury II*”), where Kitchin LJ (with whom Sir Geoffrey Vos C and Floyd LJ agreed) said at [52] that “the mark must have come to identify the relevant goods as originating from a particular undertaking and so to distinguish those goods from those of other undertakings”. He went on to say at [77] that “the CJEU has held that it is not sufficient for the applicant to show that a significant proportion of the relevant class of persons recognise and associate the mark with the applicant’s goods”. He also said at [98] that it was “clear from the decision of the CJEU” that “it is not necessary to show that the public have relied upon the trade mark”. As he explained, however:

“82. ... I recognise that the CJEU has not used the term ‘reliance’ in giving the guidance to which I have referred. However, the essential function of a trade mark is to guarantee to consumers the origin of the goods or services in relation to which it is used by enabling them to distinguish those goods or services from others which have a different origin. Perception by consumers that goods or services designated by the mark originate from a particular undertaking means they can rely upon the mark in making or confirming their transactional decisions. In this context, reliance is a behavioural consequence of perception.

83. The mark performs this function through its distinctive character. That character may be inherent or it may be acquired, but it can only be acquired through the use of the mark as a trade mark, that is to say for the purposes of the identification by consumers of the relevant goods or services as originating from a particular undertaking. I recognise that the CJEU explained in *Nestlé v Mars* that the acquisition of distinctive character may be the result both of the use, as part of a registered mark, of a component of it and of the use of a separate mark in conjunction with a registered trade mark; and further that in both cases it is sufficient that, in consequence of that use, the relevant consumers perceive the goods or services,

designated exclusively by the mark applied for, as originating from a given undertaking. But once again, in such a case and were the mark to be used alone, consumers would not only perceive the goods or services designated by the mark as originating from a particular undertaking but would also rely upon it for that purpose in making or confirming their transactional decisions.

84. Accordingly, I agree with the judge that it is legitimate for a tribunal, when assessing whether the applicant has proved that a significant proportion of the relevant class of persons perceives the relevant goods or services as originating from a particular undertaking because of the sign in question, to consider whether such person would rely upon the sign as denoting the origin of the goods or services if it were used on its own. Further, if in any case it is shown that consumers have come to rely upon the mark as an indication of origin then this will establish that the mark has acquired distinctiveness.”

#### *Assessment*

166. *Article 7(1)(c)*. Although the question of whether the EASY trade mark was descriptive within Article 7(1)(c) falls to be assessed as at the filing date, namely 9 June 2000, it is not suggested by either side that there would be any relevant difference in the average consumer’s perception of the inherent character of the trade mark between then and now.
167. W3 relies upon the dictionary meaning of the word EASY in English, namely “presenting few difficulties; offering little resistance; (of an action, task, object, etc) that can be accomplished with little effort” (*Shorter Oxford English Dictionary*, 5<sup>th</sup> ed, 2002). W3 also relies upon the fact it is a very commonly used word: Dr Olsson gave unchallenged evidence that EASY is the 31<sup>st</sup> most used descriptive adjective and the 475<sup>th</sup> most common word in the English language according to the British National Corpus. W3 contends that the word EASY when used in relation to “advertising” and “temporary accommodation” conveys to the average consumer of those services the message that the services provided are easy to purchase or use. It is not merely evocative or suggestive, but actually describes the services: the advertising is easy to place, and the temporary accommodation is easy to book. Thus it denotes, or at least potentially denotes, a particular “quality” or “characteristic” of the service in question. It is precisely the sort of word which should be free for use by all traders offering such services, and which the Regulation seeks to prevent being registered. W3 contends that this is confirmed, if confirmation is needed, by the large number of third parties who were in 2000 using, or have since then used, the word EASY as part of their trading names, and in particular the various third parties who have used it in relation to accommodation-related services.
168. easyGroup contends that the word EASY on its own does not either directly or indirectly describe the services of “advertising” and “temporary accommodation”, or any quality or characteristic of them, but at worst is laudatory.



169. In my judgment, the word EASY does denote a quality or characteristic of the services for the reasons given by W3. Accordingly, the registration is invalid unless the trade mark has acquired a distinctive character through use.
170. Counsel for easyGroup submitted in his closing submissions that, even if it was descriptive in the UK, the word EASY was inherently distinctive in Member States of the EU other than the UK since it is a foreign word in such countries. As I understand it, the point of this submission is that it goes to the extent to which easyGroup must prove that the trade mark has acquired a distinctive character through use. The trade mark will be invalid if it lacks distinctive character in any Member State: see Article 7(2) of the Regulation. It follows that easyGroup must prove that it has acquired a distinctive character in every Member State in which it is descriptive: see Case C-25/05 *August Storck KG v Office for Harmonisation in the Internal Market* [2006] ECR I-5719 at [81]-[87].
171. This submission overlooks the position of Ireland, which is, of course, an English-speaking country. Furthermore, in my view, the EU survey exhibited by Dr Olsson suggests that many nationals of countries like the Netherlands would be likely to understand the meaning of the word EASY. Nevertheless, I propose to rest my judgment on this issue on the meaning of the word in the UK and Ireland.
172. *Acquired distinctive character.* It is common ground that the relevant date for assessment is 12 October 2017, which is the date when W3 was granted permission to amend its counterclaim to counterclaim to attack the validity of the EASY trade mark.
173. Although, for the reasons given above, it is in principle necessary to consider whether the trade mark has acquired a distinctive character in at least Ireland in addition to the UK, easyGroup's evidence concentrated on the position in the UK. Despite this, counsel for W3 did not contend that the trade mark should be declared invalid purely on the basis that easyGroup had not established that it had acquired a distinctive character in Ireland. Accordingly, I shall consider whether it has acquired a distinctive character in the UK.
174. easyGroup contends that EASY has acquired a distinctive character in relation to advertising and temporary accommodation services through use in two ways: first, as a result of the use of EASY as part of easyGroup's other trade marks, and in particular EASYJET and EASY.COM; and secondly, as a result of the use of EASY on its own.
175. As counsel for W3 pointed out, easyGroup did not adduce any trade evidence or market research evidence to show that EASY had acquired a distinctive character. Instead, easyGroup relied primarily upon the evidence in Sir Stelios' witness statements, and in particular the voluminous documents to which he referred. As part of his closing submissions, counsel for easyGroup provided a helpful set of tables which collated references to these materials.
176. Considering first the use of EASY as part of easyGroup's other trade marks, there can be no dispute that there has been extensive use of a variety of "easy-" prefixed trade marks, including, but not limited to, easyGroup's EU trade marks, by easyGroup and its licensees. Counsel for W3 submitted, however, that there had been no significant use of such trade marks in relation to the relevant services, namely "advertising" and "temporary accommodation".

177. It should be noted before proceeding further that these expressions were used in the class headings to Classes 35 and 42 (now 43) in the Nice Classification, but the specification of services of the EASY trade mark does not simply reproduce the class headings. Thus the Class 42 specification begins “temporary accommodation; hotel services; reservation services for hotel accommodation ...”. In these circumstances, each expression must be interpreted in accordance with its ordinary meaning: cf. Case C-307/10 *Chartered Institute of Patent Attorneys v Registrar of Trade Marks* [EU:C:2012:361], [2013] Bus LR 740.
178. Dealing with “advertising” first, this is a service provided to businesses rather than ordinary consumers, but such businesses may be small and medium-sized as well as large. There is no dispute that advertisements by third parties have been published down the years in the easyJet in-flight magazine. Furthermore, there is evidence of third party advertisements having been published in various ways and at various times by other easyGroup businesses, such as the advertisements published by easyEverything/easyInternetcafé described in paragraph 35 above. Counsel for W3 pointed out that, in the case of the advertising sold on the easy.com free email service, it was sold by Commtouch (see paragraph 48 above). In my view this does not matter, however, since the advertiser would probably have been aware that Commtouch was selling the space on behalf of easy.com. Certainly, the advertiser must have been aware that that was where the advertising would appear.
179. More importantly, counsel for W3 submitted that such activities did not amount to the provision of the service of “advertising” under the relevant trade mark. In support of this submission, he relied upon the decision of the Court of First Instance in Case T-143/16 *Intesa Sanpaolo SpA v European Union Intellectual Property Office* [EU:T:2017:687] that the publication and distribution of brochures relating to financial services did not amount to the provision of advertising services. Perhaps more pertinently, in *Avnet Inc v Isoact Ltd* [1998] FSR 16 Jacob J held that an internet service provider which provided its customers with a hosted webpage which the customers could use to advertise their goods or services was “not providing advertising ... services in the way that, for example, an advertising agent does”. In my judgment, however, the present case is distinguishable from those two cases. If one takes the easyJet in-flight magazine by way of example, then I consider that, in substance, easyJet was providing a service to the advertisers that can fairly be described as “advertising”: it was advertising their businesses to its passengers.
180. Turning to “temporary accommodation”, counsel for W3 submitted that the placing of advertisements by third party temporary accommodation providers in, say, the easyJet in-flight magazine did not constitute use of the easyJet trade mark in relation to temporary accommodation. I agree with this. On the other hand, easyJet has provided easyJet holidays which include hotel accommodation and it has enabled its customers to book hotel accommodation via the easyJet website. Hotels are a species of the genus temporary accommodation, albeit that the genus also includes other forms of accommodation which are temporary rather than permanent. In my judgment, providing a package holiday which includes hotel accommodation amounts to the provision of (among other services) temporary accommodation. I do not think that it matters that the hotel is owned and operated by a third party, because the consumer will undoubtedly regard the package holiday provider as being responsible for the service provided by the hotel even if the consumer also holds the hotel itself

responsible. Enabling easyJet passengers to book hotel accommodation at their destination via the easyJet website is one step further removed from the actual delivery of the underlying service, but in my view the conclusion to be drawn is the same.

181. Accordingly, I conclude that easyGroup has demonstrated use of a number of its trade marks in relation to both “advertising” and “temporary accommodation”. Moreover, in the case of EASYJET, the scale of the use has been substantial in relation to both kinds of service, and in particular temporary accommodation. There has also been substantial use of easyHotel in relation to temporary accommodation.
182. On the other hand, I consider that the use that has been demonstrated of EASY.COM in relation to “advertising” is very modest and that no use has been demonstrated of EASY.COM in relation to “temporary accommodation”. Although reliance is placed by easyGroup upon the promotion of easyGroup’s licensees’ businesses by the easy.com website, in substance this amounts to easyGroup promoting its own brands rather than providing an advertising service to third parties. As for temporary accommodation, I agree with counsel for W3 that providing a link to the easyHotel or easyJet websites does not amount to use of the mark EASY.COM in relation to temporary accommodation. It therefore does not assist easyGroup that, at least in word form, EASY.COM is little different to EASY *solus* because .COM is not distinctive.
183. Counsel for W3 submitted that, even if easyGroup had shown significant use of any of its marks in relation to advertising or temporary accommodation, it has not shown that a significant proportion of the relevant class of persons identified advertising or temporary accommodation services as originating from a particular undertaking because of the EASY trade mark alone, because the distinctiveness of the trade marks derived, not from the EASY element (which was inherently descriptive), but from the combinations of elements that made up the trade marks.
184. Counsel for easyGroup submitted that the similarities in the form in which easyGroup’s trade marks had been used had contributed to the acquisition of distinctive character by the EASY trade mark. I do not accept this. easyGroup has ensured by means of its brand licences and the Brand Manual that licensees use their marks in form of logos comprising the prefix “easy-” and another word with an upper case first letter in Cooper Black font printed in white on orange. I have no difficulty in accepting that a significant proportion of consumers of both advertising and temporary accommodation in the UK had come, by October 2017, to perceive signs having these characteristics as being imbued with trade mark character even if the second word was descriptive of the service being provided (as in easyHotel). It does not follow that such consumers would have the same reaction to the word EASY on its own and regardless of font and colour.
185. Turning to use of EASY on its own, counsel for W3 accepted that easyGroup had established that, in the two years preceding 12 October 2017, it had made some use of EASY on its own, in particular as part of the expressions “the easy portal” and “the easy family of brands” (usually with the word “easy” printed in Cooper Black font in white on orange and frequently with the word “easy” accompanied by an ® symbol). Such use has been made in particular on the easy.com website, on London taxis (see paragraph 50 above) and on billboard posters at Chancery Lane tube station. As he

submitted, however, this is not use in relation to advertising or temporary accommodation. Rather, it is use in relation to the portal service and in relation to the licensing opportunities offered by easyGroup. In the case of the posters, their purpose was also to make London lawyers aware of the breadth of easyGroup's registered trade mark portfolio.

186. In addition to the evidence of use, easyGroup relied upon three other types of evidence as supporting the distinctiveness of EASY. The first type consisted of evidence from W3's witnesses about EasyRoommate, namely that the word "Easy" made a link to EasyRent and between EasyRoommate and the European Equivalents and that EasyRoommate was frequently abbreviated by its customers to just "Easy". Counsel for easyGroup submitted that this evidence showed that EASY was capable of having a distinctive character. I am doubtful that this evidence does establish that proposition, but it is not necessary for me to decide, because what matters is whether EASY has in fact acquired a distinctive character through easyGroup's usage. As counsel for W3 pointed out, there is no evidence of easyGroup's trade marks being shortened to EASY by consumers (as opposed to journalists, as to which see below), and certainly not in relation to advertising or temporary accommodation.
187. The second type of evidence consists of press articles in which expressions like "easy brand", "easy empire" and "'easy' format/model/style" are used. All the articles are about Sir Stelios, easyGroup and its licensees, however. Thus it is clear from the context which business or businesses are being discussed, a point which is reinforced by the fact that many of the articles come from the financial pages of the relevant publications. Furthermore, it is also clear that when the journalists used expressions like "easy brand", they were referring to "easy-" prefixed marks presented in the manner discussed above.
188. The third type consists of the alleged instances of actual confusion relied upon by easyGroup in support of its infringement claims. I shall consider these below, but at this stage it suffices to say that the evidence does not show that the word EASY on its own is distinctive in relation to advertising or temporary accommodation.
189. Taking all of the evidence into consideration, I conclude that easyGroup has not established that EASY has acquired a distinctive character in relation to advertising or temporary accommodation. Accordingly, W3 is entitled to a declaration that the EASY trade mark has at all times been invalidly registered in relation to those services.

#### Revocation of the EASY trade mark for non-use

190. W3 contends that, even if the EASY trade mark is validly registered, it should be revoked for five years' non-use pursuant to Article 50(1)(a) of the Regulation.
191. W3's original pleaded case was that the EASY trade mark had not been put to genuine use in the EU by easyGroup or with its consent in relation to any of the services in its specification, and therefore should be revoked in its entirety. easyGroup challenged the breadth of that plea on the ground that, pursuant to what were Articles 96(d) and 100 of Regulation 207/2009, a counterclaiming defendant is only entitled to challenge an EU Trade Mark to the extent that it is alleged to be infringed: see *Adobe Systems Inc v Netcom Distributors Ltd* [2012] EWHC 1087 (Ch), [2012] ETMR 38.

192. As a result, on 17 November 2016 W3 narrowed its non-use attack to allege non-use in relation to “(a) advertising relating to non-commercial residential accommodation in Class 35; (b) advertising relating to the sharing of non-commercial residential accommodation in Class 35; and/or (c) shared non-commercial residential accommodation in class 42”. Subsequently, easyGroup contended that it was unclear what was meant by “non-commercial” in this context.
193. As a result, on 12 October 2017 W3 amended its non-use attack to allege non-use in relation to “(a) advertising relating to shared residential accommodation in Class 35; (b) advertising relating to the sharing of residential accommodation in Class 35; and/or (c) shared residential accommodation in class 42”.

*The law*

194. *Genuine use.* I summarised the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the CJEU in *London Taxi Corp v Frazer-Nash Research Ltd* [2016] EWHC 52 (Ch), [2016] ETMR 18 at [219] in a manner which was not criticised on appeal as follows (citations omitted):

- “(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark ....
- (2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: ....
- (3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: ....
- (4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: .... Internal use by the proprietor does not suffice: .... Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: .... But use by a non-profit making association can constitute genuine use: ....
- (5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d’être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: ....
- (6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence

that the proprietor is able to provide; and (g) the territorial extent of the use:  
....

- (7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: ....
- (8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: ...”

195. Proposition (3) has subsequently been reinforced by the ruling of the CJEU in Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795 that:

“Article 15(1) of .... Regulation ... 207/2009 ... must be interpreted as meaning that the affixing of an individual EU trade mark, by the proprietor or with his consent, on goods as a label of quality is not a use as a trade mark that falls under the concept of ‘genuine use’ within the meaning of that provision. However, the affixing of that mark does constitute such genuine use if it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality. ...”

196. *Genuine use in the EU*. I summarised the principles for the assessment of whether there has been genuine use of a Community trade mark “in the Community”, or now “in the EU”, in *London Taxis* at [227] as follows (citations omitted):

- “(9) The territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to genuine use in the Community: ....
- (10) While it is reasonable to expect that a Community trade mark should be used in a larger area than a national trade mark, it is not necessary that the mark should be used in an extensive geographical area for the use to be deemed genuine, since this depends on the characteristics of the goods or services and the market for them: ....
- (11) It cannot be ruled out that, in certain circumstances, the market for the goods or services in question is in fact restricted to the territory of a single Member State, and in such a case use of the Community trade mark in that territory might satisfy the conditions for genuine use of a Community trade mark: ....”

197. *Use of the trade mark in a form differing in elements which do not alter its distinctive character.* The CJEU stated in Case C-252/12 *Specsavers International Healthcare Ltd v Asda Stores Ltd* [EU:C:2013:497], [2013] ETMR 46 (“*Specsavers (CJEU)*”) at [29] that the objective of Article 15(2)(a) of the Regulation was:

“by avoiding imposing a requirement for strict conformity between the form used in trade and the form in which the trade mark was registered, ... to allow the proprietor of the mark, in the commercial exploitation of the sign, to make variations in the sign, which, without altering its distinctive character, enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned.”

198. In *BUD and BUDWEISER BUDBRÄU Trade Marks* [2002] EWCA Civ 1534, [2003] RPC 25 Lord Walker of Gestingthorpe (with whom Pill LJ agreed) held that the correct approach to section 46(2) of the 1994 Act, which corresponds to Article 15(2)(a) of the Regulation, was as follows:

“43. .... The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?

44. The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. ...

45. Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of ‘whose eyes?—registrar or ordinary consumer?’ is a direct conflict. It is for the registrar, through the hearing officer's specialised experience and judgment, to analyse the ‘visual, aural and conceptual’ qualities of a mark and make a ‘global appreciation’ of its likely impact on the average consumer, who:

‘normally perceives a mark as a whole and does not proceed to analyse its various details.’

The quotations are from para.[26] of the judgment of the Court of Justice in Case C-342/97 *Lloyd Schuhfabrik Meyer GmbH v Klijsen Handel BV* [1999] E.C.R. I-3819; the passage is dealing with the likelihood of confusion (rather than use of a variant mark) but both sides accepted its relevance.”

199. As this indicates, and as the recent decision of CJEU in Case C-501/15 *European Union Intellectual Property Office v Cactus SA* [EU:C:2017:750], [2018] ETMR 4 at [68]-[71] confirms, the normal approach to the assessment and comparison of distinctive character applies in this context.

200. The proprietor of the trade mark is not precluded from relying upon use of the trade mark in a form differing in elements which do not alter the distinctive character of the trade mark by the fact that that different form is itself registered as a trade mark: see Case C-553/11 *Rintisch v Eder* [EU:C:2012:671], [2013] ETMR 5 and *Specsavers (CJEU)*.
201. *Scope of the specification.* It is often the case that, when challenged to prove genuine use of a trade mark, the proprietor shows use in relation to some goods or services covered by the specification, but not others. In these circumstances Article 51(2) of the Regulation requires the competent authority only to revoke the trade mark to the extent that it has not been genuinely used. This can lead to difficulties where the trade mark is registered in respect of a broad class of goods or services, but it is said that the proprietor has only established use of a narrower sub-class within that broad class.
202. The law on this subject has recently been reviewed by the Court of Appeal in *Merck KGaA v Merck Sharp & Dohme Corp* [2017] EWCA Civ 1834, where Kitchin LJ (with whom Patten and Floyd LJ agreed) re-stated the applicable principles as follows:
- “245. First, it is necessary to identify the goods or services in relation to which the mark has been used during the relevant period.
246. Secondly, the goods or services for which the mark is registered must be considered. If the mark is registered for a category of goods or services which is sufficiently broad that it is possible to identify within it a number of subcategories capable of being viewed independently, use of the mark in relation to one or more of the subcategories will not constitute use of the mark in relation to all of the other subcategories.
247. Thirdly, it is not possible for a proprietor to use the mark in relation to all possible variations of a product or service. So care must be taken to ensure this exercise does not result in the proprietor being stripped of protection for goods or services which, though not the same as those for which use has been proved, are not in essence different from them and cannot be distinguished from them other than in an arbitrary way.
248. Fourthly, these issues are to be considered from the viewpoint of the average consumer and the purpose and intended use of the products or services in issue. Ultimately it is the task of the tribunal to arrive at a fair specification of goods or services having regard to the use which has been made of the mark.”

#### *Assessment*

203. *The relevant period.* There is a dispute between the parties as to the relevant period. W3 contends that the relevant period is the five years ending on 27 October 2015, the date of its original counterclaim to counterclaim. easyGroup contends that the relevant period is the five years ending on 12 October 2017, when W3 restricted its challenge to the services specified above. In my view W3 is correct to say that the relevant



period is the five years ending on 27 October 2015, since W3 challenged the use of the trade mark in relation to the services to which the non-use attack is now directed (“the specified services”) at that point, albeit that its challenge extended more broadly.

204. *easyGroup’s preliminary point.* In his closing submissions counsel for easyGroup submitted that W3’s revocation case could be disposed of on a preliminary point even before consideration of the evidence. This preliminary point arose out of the way in which W3 had narrowed its non-use attack. Counsel for easyGroup argued that the subcategories of services which W3 had chosen to attack could not be viewed as independent subcategories of advertising and temporary accommodation, and accordingly the attack must fail.
205. Counsel for W3 submitted that this was a point which, if it was to be relied upon, should have been raised by easyGroup in opening submissions and that it was procedurally unfair for easyGroup to raise it so late. I agree with this. He also submitted that the point was a bad one anyway, since the specified services would be viewed by the average consumer as independent subcategories of advertising and temporary accommodation. In support of this, he argued that the specified services described the EasyRoommate business. Again, I agree with this. EasyRoommate provides specific types of advertising and temporary accommodation services, and I consider that the average consumer would regard the defining characteristic of the specified services as being that they relate to sharing residential accommodation.
206. *Genuine use.* I do not understand it to be in dispute that easyGroup has not made any use of the EASY trade mark on its own in relation to the specified services. Indeed, easyGroup has not established use of EASY on its own in relation to advertising or temporary accommodation at all.
207. *Use in a form differing in elements which do not alter the distinctive character of the trade mark.* Although counsel for easyGroup did not articulate easyGroup’s case in this way, it seems to me that easyGroup relies upon use of the trade mark in a form differing in elements which do not alter the distinctive character of the trade mark, because it relies upon use of its “easy-” prefixed trade marks to defeat W3’s non-use attack. In principle, I consider that this is possible. If EASY had acquired a distinctive character as a result of use of “easy-” prefixed trade marks, then it would be logical for use of those trade marks to amount to use which did not alter the distinctive character of EASY. As it is, however, I have concluded that EASY has not acquired a distinctive character in relation to services which include the specified services as a result of use of “easy-” prefixed trade marks.
208. easyGroup particularly relies upon use of the trade marks easyStay and easyHostel in relation to websites at [www.easystay.com](http://www.easystay.com) and [www.easyhostel.com](http://www.easyhostel.com) in the period October 2015 to October 2017 as being use specifically in relation to shared residential accommodation. This does not assist easyGroup both because it is after the relevant period and for the reason I have just given. Counsel for W3 submitted that the use did not amount to use of the easyStay and easyHostel trade marks in relation to shared residential accommodation anyway both because the websites merely provided a link to the well-known booking.com website and because booking.com did not offer shared residential accommodation. I do not accept either of those points. I consider that the average consumer would regard easyStay and easyHostel as having

some responsibility for the services, and booking.com did offer some kinds of shared residential accommodation, such as bed and breakfast and hostel accommodation.

209. *Use in the EU.* I do not understand W3 to dispute that, in the circumstances of this case, if there was genuine use in the UK, then that would suffice for there to be genuine use in the EU.
210. *Date of revocation.* W3 contends that the specified services should be revoked as from the first date on which easyGroup alleges infringement, subject to W3's reliance upon limitation. Counsel for easyGroup did not address this question in his closing submissions. If it were necessary to decide the point, I would invite further argument on it.

#### Contextual assessment of easyGroup's infringement claims

211. In determining whether there is a likelihood of confusion under Article 9(1)(b) of the Regulation, the court must take into account the precise context in which the sign has been used: see Case C-533/06 *O2 Holdings Ltd v Hutchison 3G UK Ltd* [2008] ECR I-4231 at [64], *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24, [2012] FSR 19 at [87] and *Specsavers (CJEU)* at [45]. There is no dispute that the same principle must apply when determining whether the use falls within Article 9(1)(c) of the Regulation.

#### Relevant date for assessment of easyGroup's infringement claims

212. As counsel for W3 pointed out, an important issue in these proceedings is the relevant date for the assessment of easyGroup's infringement claims, and in particular its claim with respect to the UK. W3 contends that the relevant date for the UK is 15 August 2000, while easyGroup contends that it is June 2009 alternatively April 2011. The reason why easyGroup contends for the later dates is that, by then, at least some of easyGroup's EU trade marks had acquired a greater degree of reputation, and hence distinctive character, and thus easyGroup's infringement case is stronger.

#### *The law*

213. The CJEU has held that the question whether the use of a sign infringes a trade mark pursuant to Article 5(1) of the Directive falls to be assessed as at the date that the use of the sign was commenced: see Case C-145/05 *Levi Strauss & Co v Casucci SpA* [2006] ECR I-3703.
214. As I discussed in *Stichting BDO v BDO Unibank, Inc* [2013] EWHC 418 (Ch), [2013] FSR 35 at [94]-[97], the question of what the relevant date is can give rise to some difficulty in cases where the defendant has been using the sign for some time and/or where circumstances change during the course of the defendant's use. In that case I held that, if the defendant used the sign in a materially different manner or context at a later date, then a new global assessment had to be made as of that date. I also held that, if the trade mark is partially revoked with effect from a date during the course of the defendant's use of the sign, then a new assessment may need to be made as of that date. Neither side took issue with these conclusions in the present case.

215. In *Supreme Petfoods Ltd v Henry Bell & Co (Grantham) Ltd* [2015] EWHC 256 (Ch), [2015] RPC 22 I held at [78] that the relevant date did not differ depending on whether the claim was made under Article 5(1)(a) of the Directive/Article 9(1)(a) of the Regulation or Article 5(1)(b) of the Directive/Article 9(1)(b) of the Regulation or Article 5(2) of the Directive/Article 9(1)(c) of the Regulation. Again, neither side took issue with this in the present case.
216. I also held in *Supreme Petfoods* at [78] that the relevant date could not be earlier than the date from which the trade mark registration in question has effect. In the case of a UK trade mark, that was the application date. Counsel for W3 submitted that, in the case of EU trade marks, the earliest relevant date was the application date and not the date of publication of the application.
217. Article 9(3) of the Regulation provided:
- “The rights conferred by a Community trade mark shall prevail against third parties from the date of publication of registration of the trade mark. Reasonable compensation may, however, be claimed in respect of matters arising after the date of publication of a Community trade mark application, which matters would after publication of the registration of the trade mark, be prohibited by virtue of that publication. ...”
218. Article 9(3) of Regulation 207/2009 was in the same terms except that the second sentence referred to “acts occurring” rather than “matters arising”. These provisions are now to be found in Article 11(1) and (2) of Regulation 2017/1001. Counsel for W3 pointed out that Article 9(2) of Regulation 2017/1001 now begins “Without prejudice to the rights of proprietors acquired before the filing date or the priority date of the EU trade mark”, but in my view that provision is not relevant to the present question both because it only came into force on 23 March 2016 and because it cannot override the clear terms of Article 11(1) and (2). Counsel for W3 submitted that, as a matter of principle, a claim for infringement ought to be assessed as at the application date if the sign complained of was in use then. I am sympathetic to that proposition, but that is not what the EU legislature has provided. Accordingly, in my judgment, the earliest relevant date in the case of EU trade marks is the date of publication of the application.

### *Assessment*

219. As counsel for W3 pointed out, paragraph 23.1 of easyGroup’s Amended Defence and Counterclaim clearly identifies the signs the use in the UK of which easyGroup complains about as the three signs listed in paragraph 145 above. It is also clear from the Amended Defence and Counterclaim that easyGroup’s claim extends to variants of those signs and use in the form of domain names. Thus paragraph 2 refers to “signs comprising the word ‘easyroommate’ in a range of different forms including but not limited to ... domain names incorporating or comprising the word ‘easyroommate’” and the forms identified in paragraph 23.1, and paragraph 1 of the prayer for relief seeks an injunction restraining W3 from using “the signs EasyRoommate ... whether in plain or stylised form” and “domain names comprising the words EasyRoommate ...”. Furthermore, paragraph 23.1 specifically complains of use of the signs “as shown

pages 1-3 of Schedule 2". Those pages show use of (i) the EasyRoommate logo reproduced in paragraph 101 above and (ii) "EasyRoommate" in plain type.

220. W3's evidence establishes that the signs "EasyRoommate" and "easyroommate" were first used in relation to the UK on about 15 August 2000, that being the approximate date when the UK first appeared in the drop-down menu on the website and August 2000 being the first month for which there are records of registered users in the UK (see paragraph 71 above). "EasyRoommate" was used both in plain type (in a copyright notice) and in the form of the logo reproduced in paragraph 72 above. "easyroommate" was used as part of the domain name.
221. Counsel for easyGroup did not dispute the facts I have set out in the preceding paragraph. Rather, he submitted that the relevant date for assessment was nevertheless June 2009 because the context of the use had changed then. I do not accept this. There was no relevant change in the use of the signs "EasyRoommate" in plain type or "easyroommate" or in the context of that use. Instead, what happened was that W3 started to use the third sign which easyGroup complains of in place of the logos which had previously been used. As will appear, I agree that the relevant date with respect to that sign is June 2009; but it does not follow that a new assessment of W3's use of the signs "EasyRoommate" and "easyroommate" as at that date is called for.
222. Counsel for easyGroup also submitted that a further assessment was required as at April 2011, because of the removal of the disclaimer from the Easyroommate website then (see paragraph 93 above). I accept that this constituted a change to the context of use of the signs compared to the position when the disclaimer was adopted, but it is not a change compared to the position in August 2000 when there was no disclaimer either. I would add that there is no evidence that in practice the removal of the disclaimer, which was inconspicuous, made any difference at all to the way in which the consumers perceived the signs. For each of these reasons, I do not accept that this change calls for a fresh assessment to be made as at April 2011.
223. Accordingly, the relevant date for assessment of easyGroup's claim for infringement of the EASYJET trade mark by use of the signs "EasyRoommate" and "easyroommate" is 15 August 2000. The relevant dates for assessment of easyGroup's claim for infringement of its other EU trade marks are the respective dates on which the applications were published set out in paragraph 144 above. These range from 18 February 2002 (easyHotel) to 28 February 2005 (easyProperty).
224. There is no dispute that W3 started using the Roof Logo on about 8 June 2009. Counsel for easyGroup submitted that, even if the relevant date for assessment with respect to the signs "EasyRoommate" and "easyroommate" was 15 August 2000, the relevant date for assessment with respect to the Roof Logo was 8 June 2009. Counsel for W3 disputed this. In my judgment counsel for easyGroup is correct. The Roof Logo is the subject of a specific claim by easyGroup. Moreover, in my view it is materially different to the logos previously used by W3 and its predecessors. It is a visually distinct logo, and the use of orange and the roof-and-chimney device both serve to accentuate the "Easy" part of the sign. A small further point is that the logo does not include the figure with raised arms which featured in some earlier logos.
225. Counsel for W3 submitted that, if a fresh assessment was required for this sign, then further assessments were required as at the dates when W3 started using the versions

of the Roof Logo shown in paragraphs 95 and 101 above. I do not accept this. In my view, they constitute use of essentially the same sign. All that has happened is that the background colour of the heading on the website has changed from white to light blue to dark blue. Even then, the Roof Logo is separated from the background by a white halo.

226. Turning to the European Equivalents, W3's evidence establishes that the signs "EasyPiso" etc were first used on the following dates:

EasyPiso	June 2004 (Spain)
EasyWG	July 2004 (Germany) April 2008 (Austria)
EasyStanza	October 2004 (Italy)
EasyKamer	November 2004 (Netherlands)
EasyQuarto	October 2007 (Portugal)
EasyKot	March 2008 (Belgium)

227. As for the European Equivalents of the Roof Logo, it appears that these were first used in June 2009. Thus the relevant date for assessment is the same as for the Roof Logo in the UK.

#### Infringement under Article 9(1)(b) in the UK

228. easyGroup contends that W3 has infringed each of easyGroup's EU trade marks through use of the EasyRoommate signs in the UK under Article 9(1)(b) of the Regulation. Since I have concluded that the EASY trade mark has always been invalidly registered in relation to the services relied on, however, the claim for infringement of that trade mark falls away. (For the same reason, it is not necessary to consider what the position would be if the EASY trade mark were not invalid, but revoked for non-use as from a date later than the relevant date of assessment.) Accordingly, my references in what follows to easyGroup's EU trade marks do not include that trade mark.

#### *The law*

229. In order to establish infringement under Article 9(1)(b) of the Regulation, six conditions must be satisfied: (i) there must be use of a sign by a third party within the relevant territory; (ii) the use must be in the course of trade; (iii) it must be without the consent of the proprietor of the trade mark; (iv) it must be of a sign which is at least similar to the trade mark; (v) it must be in relation to goods or services which are at least similar to those for which the trade mark is registered; and (vi) it must give rise to a likelihood of confusion on the part of the public. In the present case, there is no issue as to conditions (i)-(iv).
230. *Comparison of services.* In considering whether services are similar to each other, all relevant factors relating to the services must be considered, including their nature,

their end users, their method of use and whether they are in competition with each other or are complementary: see Case C-106/03 *Canon KKK v Metro Goldwyn Mayer Inc* [1998] ECR I-5507 at [23].

231. *Likelihood of confusion.* The manner in which the requirement of a likelihood of confusion in Article 9(1)(b) of the Regulation and Article 5(1)(b) of the Directive, and the corresponding provisions concerning relative grounds of objection to registration in both the Directive and the Regulation, should be interpreted and applied has been considered by the CJEU in a large number of decisions. The Trade Marks Registry has adopted a standard summary of the principles established by these authorities for use in the registration context. The current version of this summary, which takes into account the decision of the Court of Appeal in *Maier v ASOS plc* [2015] EWCA Civ 220, [2015] FSR 20, is as follows:

- “(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components;
- (f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
  - (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
  - (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; and
  - (k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.”
232. The same principles are applicable when considering infringement, although as noted above it is necessary for that purpose to consider the actual use of the sign complained of in the context in which it has been used.
233. *Common elements with low distinctiveness.* If the only similarity between the trade mark and the sign complained of is a common element that is descriptive or otherwise of low distinctiveness, that points against there being a likelihood of confusion: see *Whyte and Mackay Ltd v Origin Wine UK Ltd* [2015] EWHC 1271 (Ch), [2015] FSR 33 at [43]-[44].
234. *Family of marks.* Where it is shown that the trade mark proprietor has used a “family” of trade marks with a common feature, and a third party uses a sign which shares that common feature, this can support the existence of a likelihood of confusion. As the Court of First Instance (as it then was) explained in Case T-287/06 *Miguel Torres v Office for Harmonisation in the Internal Market* [2008] ECR II-3817:
- “79. As regards the applicant’s argument that its earlier marks constitute a ‘family of marks’ or a ‘series of marks’, which can increase the likelihood of confusion with the mark applied for, such a possibility was recognised in BAINBRIDGE and confirmed in Case C-234/06 P *Il Ponte Finanziaria* [2007] ECR I-7333.
80. According to that case-law, there can be said to be a ‘series or a ‘family’ of marks when either those earlier marks reproduce in full the same distinctive element with the addition of a graphic or word element differentiating them from one another, or when they are characterised by the repetition of the same prefix or suffix taken from an original mark (BAINBRIDGE, paragraph 123). In such circumstances, a likelihood of confusion may be created by the possibility of association between the trade mark applied for and the earlier marks forming part of the series where the trade mark applied for displays such similarities to those marks as might lead the consumer to believe that it forms part of that same series and

therefore that the goods covered by it have the same commercial origin as those covered by the earlier marks, or a related origin. Such a likelihood of association between the trade mark applied for and the earlier marks in a series, which could give rise to confusion as to the commercial origin of the goods identified by the signs at issue, may exist even where the comparison between the trade mark applied for and the earlier marks, each taken individually, does not prove the existence of a likelihood of direct confusion (BAINBRIDGE, paragraph 124). When there is a ‘family’ or a ‘series’ of trade marks, the likelihood of confusion results more specifically from the possibility that the consumer may be mistaken as to the provenance or origin of goods or services covered by the trade mark applied for and considers erroneously that that trade mark is part of that family or series of marks (*Il Ponte Finanziaria*, paragraph 63).

81. However, according to the above case-law, the likelihood of confusion attaching to the existence of a family of earlier marks can be pleaded only if both of two conditions are satisfied. First, the earlier marks forming part of the ‘family’ or ‘series’ must be present on the market. Secondly, the trade mark applied for must not only be similar to the marks belonging to the series, but also display characteristics capable of associating it with the series. That might not be the case, for example, where the element common to the earlier serial marks is used in the trade mark applied for either in a different position from that in which it usually appears in the marks belonging to the series or with a different semantic content (BAINBRIDGE, paragraphs 125 to 127).”
235. I do not understand it to be in dispute that it is not necessary for this purpose for all of the trade marks in the family to have been registered at the relevant date, provided that at least one was registered and a number were in use.
236. *Colour*. Where the trade mark proprietor has used the trade mark in a particular colour or combination of colours, and a third party uses a sign in the same colour or combination of colours, this can support the existence of a likelihood of confusion even if the trade mark is not registered in colour. The CJEU ruled in *Specsavers (CJEU)* that:
- “Article 9(1)(b) and (c) of Regulation No 207/2009 must be interpreted as meaning that where a Community trade mark is not registered in colour, but the proprietor has used it extensively in a particular colour or combination of colours with the result that it has become associated in the mind of a significant portion of the public with that colour or combination of colours, the colour or colours which a third party uses in order to represent a sign alleged to infringe that trade mark are relevant in the global assessment of the likelihood of confusion or unfair advantage under that provision.”



*Assessment: EasyRoommate and easyroommate*

237. *The distinctive character of the trade marks.* W3 does not dispute that each of easyGroup's EU trade marks had an inherent distinctive character at the relevant dates, although it is implicit in W3's case that the EASY.COM trade mark had the bare minimum of inherent distinctive character. W3 emphasises, however, that the distinctive character of the trade marks derived from the combination of their elements, including where appropriate the device elements.
238. I do not understand easyGroup to contend that any of its EU trade marks individually had acquired an enhanced distinctive character through use in relation to the services relied on at the relevant dates. (It is common ground that EASYJET had an enhanced distinctive character in relation to passenger airline services by 15 August 2000, but easyGroup does not rely upon the registration of the trade mark in respect of these services for the purposes of its claim under Article 9(1)(b). easyGroup does contend that the EASY element of the trade marks had acquired a substantial distinctive character, but I do not accept this for the reasons explained above.) In any event, I agree with W3 that the evidence does not establish that any of the trade marks had acquired an enhanced distinctive character through use in relation to the services relied on at the relevant dates. In case of EASYJET, the relevant date is 15 August 2000 and there had been no (or no significant) use of the trade mark in relation to temporary accommodation by that date: as counsel for W3 submitted, advertising third party accommodation providers in the easyJet in-flight magazine did not amount to use of the trade mark in relation to that service. In the case of easyHotel, the relevant date is 18 February 2002, but there was no (or no significant) use of the trade mark prior to September 2004 (see paragraph 55 above).
239. *Comparison of services.* W3 accepts that the services provided under the EasyRoommate signs fell within the scope of "advertising" and "temporary accommodation" and thus were identical to the services for which the easyGroup EU trade marks were registered, except for EASYOFFICE.
240. As for EASYOFFICE, easyGroup contends that the services provided under the EasyRoommate signs are similar to the services in Classes 36 and 43 for which the trade mark is registered. W3 contends that there is no similarity for the following reasons:
- i) The uses of the services are different: one is for work, the other is for residential purposes.
  - ii) The users are different: someone who wishes to rent an office does not necessarily wish to find a room in a shared flat or house, and vice-versa. Equally offices are usually let by commercial landlords whereas rooms in flats or houses are shared by ordinary consumers.
  - iii) The physical nature of the service is the same.
  - iv) There is no evidence that the respective trade channels through which the services reach the market are the same.
  - v) There is no evidence that the services are competitive or complementary.

241. After some hesitation, I have concluded that these services are not similar for the reasons given by W3. It follows that W3 has not infringed the EASYOFFICE trade mark by use of the signs EasyRoommate and easyroommate pursuant to Article 9(1)(b).
242. *Comparison of signs.* Counsel for easyGroup submitted that the distinctive and dominant component of easyGroup's EU trade marks was the word EASY for the following reasons:
- i) Europeans read from left to right and so the first word in a composite mark will have more significance. It is well established that in general the consumer pays greater attention to the beginning of the mark than the end: see e.g. Case T-133/05 *Merit v Office for Harmonisation in the Internal Market* [2006] ECR II-2737 at [51].
  - ii) In each of the trade marks the second word is descriptive of the type of services offered under that mark.
  - iii) EASY had an independent distinctive character by virtue of the extensive use which had been made of EASY-prefixed trade marks by easyGroup.
  - iv) EASY formed the common element in a family of EASY-prefixed marks used by easyGroup.
243. I do not accept that EASY is the distinctive and dominant component of the EU trade marks. Addressing the contentions set out above in turn:
- i) I accept this as a general proposition, but it does not mean that EASY is distinctive or dominant in the EU trade marks.
  - ii) This is true of easyHotel, easyDorm and easyProperty. It is not accurate in the case of the other marks, and in particular EASYJET with respect to "temporary accommodation". In any event, the fact that the second word is descriptive does not compel the conclusion that EASY is distinctive or dominant.
  - iii) I do not accept this for the reasons given above.
  - iv) I do not accept that the EU trade marks formed part of a family of marks at the relevant dates, because few of them had been used (or used to any significant extent) at the relevant dates. By way of example, as noted above, easyHotel was not used (or used to any significant extent) prior to September 2004. Moreover, not all of the trade marks display the same characteristics. In particular, EASY.COM (both word and device marks) does not include a second descriptive word (and the device mark is a separate case because of the device element). I acknowledge that it could be said that easyJet, easyEverything and easyRentaCar formed a family of marks, but as at 15 August 2000 there had been relatively little use of the latter two.
244. Counsel for easyGroup also relied upon the fact that some of easyGroup's EU trade marks comprised white print on an orange background and others had been used in

the same manner. In my view, this has no significance for the claim with respect to “EasyRoommate” and “easyroommate”.

245. Counsel for W3 accepted that there was some visual, aural and conceptual similarity between each of the EU trade marks and “EasyRoommate” and “easyroommate” in that the EASY element was a common feature. I would add that “EasyRoommate” and “easyroommate” also share the feature of being a new word formed from the combination of EASY with another descriptive word. In the case of “EasyRoommate”, there is also the shared feature that the second word begins with an upper case letter, but the difference that “Easy” also begins with an upper case letter.
246. Counsel for W3 submitted that the “Roommate” element of the signs was visually, aurally and conceptually different to each of the EU trade marks. I agree with this, subject to the proviso that there are slight conceptual similarities with the “Hotel”, “Dorm” and “Property” elements of the respective trade marks. Counsel for W3 also submitted that a further difference was that “Roommate” was not a common English description of someone who shared a flat or house rather than a room. I accept this, but I do not regard this as a significant difference given that any visitor to the EasyRoommate website will rapidly understand the sense in which the word is being used.
247. Counsel for W3 submitted that, given the differences between the signs and the trade marks, there was no prospect of the average consumer directly confusing the signs for one of the trade marks, and therefore the key question was whether there was a likelihood of indirect confusion, and in particular whether there was a risk that the average consumer might believe that the services came from economically-linked undertakings. Counsel for easyGroup submitted that direct confusion with all of the trade marks was possible given imperfect recollection, but particularly emphasised this possibility in case of the EASY trade mark. As I have already mentioned, however, that trade mark has fallen by the wayside.
248. Counsel for W3 further submitted that there was no likelihood of indirect confusion not only because of the absence of enhanced distinctive character and because the only common feature (on W3’s case) was the EASY element which was descriptive, but also because the prevalence of third parties using names beginning with EASY meant that the average consumer would have learnt to differentiate them. While I consider that this point has some force, it is difficult to place much weight on it, because it is very difficult to judge from the evidence the extent to which consumers of advertising and temporary accommodation will have encountered multiple instances of such third party use.
249. *Has there been actual confusion?* An important plank of both sides’ cases is the question of whether there has been actual confusion. easyGroup contends that there is significant evidence of actual confusion, and that this lends strong support to its case on likelihood of confusion. W3 contends that, at least in many cases, the instances relied upon do not demonstrate actual confusion on the part of the consumers in question. In any event, W3 contends that the number of instances is small having regard to both the length of time which elapsed since use of “EasyRoommate” and “easyroommate” commenced and the scale of its business (by way of illustration, the EasyRoommate website received over 1 million visits a month in 2012). All of the instances relied upon post-date 15 August 2000, but nevertheless it is common ground

that such evidence is capable of shedding light backwards on the question of whether there was a likelihood of confusion at that date. The further in time the evidence is from 2000, however, the less it will cast meaningful light on the position as at that date because of the growth in the reputation of some of the trade marks since then. W3 also relies upon the small scale of this evidence in support of its defence of honest concurrent use (as to which, see below).

250. Before turning to the instances relied upon, it is important to put them in context. easyGroup relies upon 12 communications (10 emails to easyGroup, one blogpost and one tweet) which it disclosed as evidencing either confusion or a concern that EasyRoommate was, as Sir Stelios put it, “piggybacking on the reputation of the EASY family of brands”. As Sir Stelios accepted, it is clear that easyGroup has a substantial database of emails going back to at least 2003 which Clarke Willmott and Eversheds Sutherland have searched for instances of confusion. Moreover, easyGroup has access to, and has searched, easyJet’s customer database going back to 1995. Still further, searches of external sources have also been carried out by Clarke Willmott and Eversheds Sutherland.
251. Eight of the 10 emails were sent to the domains email address (see paragraph 116 above). Counsel for W3 submitted that it followed that the senders of the emails were not confused when they sent their emails. This does not rule out the possibility that either the sender or another person was confused prior to the sending of the email, however.
252. easyGroup also relies upon seven alleged instances of confusion disclosed by W3. W3 adduced evidence from a number of its witnesses to the effect that no confusion had been brought to their attention. Counsel for W3 accepted in the light of the oral evidence that, because of the location, nationality, knowledge and (in)experience of the various customer relations representatives whom W3 and its predecessors had engaged over the years, such persons would not necessarily have known even of easyJet or appreciated the significance of links between EasyRoommate and, say, Sir Stelios. He submitted that, if there had been a clear pattern of confusion, it would have been reported to one or more of the managers who gave evidence, but he accepted that the customer services representatives would have had to recognise the pattern as arising from confusion. Accordingly, I consider that the negative evidence from the managers is of little weight.
253. W3 also carried out extensive searches of email records amounting to over 700,000 emails, which yielded the seven emails relied upon by easyGroup. Mistakes and omissions were made when carrying out the initial searches, which resulted in further searches having to be carried out, but I am satisfied that in the end W3 complied with its disclosure obligations. W3’s evidence is that many of its historic emails prior to 2010 have been lost or deleted in the ordinary course of business, which is not surprising. Counsel for easyGroup submitted that W3’s disclosure from the early years of the EasyRoommate business had been partial and selective, but I do not accept this.
254. As counsel for W3 pointed out, easyGroup did not call any of the authors of the communications relied upon, and therefore there is no evidence as to what they had in mind other than the contents of the communications. It should be pointed out that this would only have possible if the persons in question still used the same email

addresses. Moreover, it is doubtful that many would have been prepared to give evidence voluntarily. W3 did not call any of the authors either. Nevertheless, I accept that it is necessary to be cautious in trying to interpret the communications.

255. Against that background, I shall first consider the communications disclosed by easyGroup in chronological order. Unless I comment to the contrary, the senders all appear to be writing from the UK. The first item is Mr Lowman's email dated 12 June 2003 (paragraph 120 above). Clearly Mr Lowman was not confused when he sent the email. Nor does the email show that he was positively confused prior to that, but it does indicate that he wondered whether EasyRoommate was one of easyGroup's brands.
256. The second is Mr D'Urso's email dated 21 June 2003 (paragraph 121 above). Clearly Mr D'Urso was not confused, but he states that his friends thought that EasyRoommate was "part of the easy group" and there is no reason to doubt that.
257. The third is an email from Malcom Ford to the domains email address dated 30 October 2003 with the subject "Site" saying:

"As a happy Easyjet customer, I thought I'd let you know of this site.

[link to [uk.easyroommate.com](http://uk.easyroommate.com)]

It would be better if there was an incentive of two free return flights to any destination on the easyjet network when submitting a link. Hint hint!!"

Clearly Mr Ford was not confused. Evidently he thought it was worth drawing the website to easyGroup's attention, and hoped for a reward, but he does not say why. The most one can say is that this is evidence of someone making a link between EasyRoommate and easyGroup.

258. The fourth is an email from Simon Durso to the domains email address dated 12 November 2003 with the subject "Brand Theft" saying:

"EasyRoommate.com

Nice and orange too. Are you going to shut them down?"

Although Simon Durso could be the same person as Simon D'Urso, the spelling is different, the email was sent from a different email address and it made no reference to the earlier email, so on balance I conclude that they are different persons. Clearly Mr Durso was not confused, but he appears to have thought that EasyRoommate was a case of "brand theft". Again, this is evidence of someone making a link between EasyRoommate and easyGroup.

259. The fifth is an email from John Strieby to both the domains email address and Mr Whatt dated 6 September 2005 with the subject "Easy.com brand thieves" saying:

"Here a big company of brand thieves:

Easyroommate.com

They advertise with the same color as Easy Group and even use 'Easygroup' as their brand, but call it 'Easyroommate group', which does not exist:

Here some examples:

1. FlatmateWorld is part of the EasyRoommate Group - the world's largest shared accommodation network.

<http://www.streathamlifeco.uk/modules/mylinks/singlelinkphp?cid=2&li&181>

2. Easyroommate logo on homepage of [uk.easyroommate.com](http://uk.easyroommate.com)

3. Easyroommate with partners:

<http://www.propertyfinder.com/property/flats/rent/L9390>

<http://www.netlettings.co.uk/easyroommate.htm>

<http://www.eightydays.co.uk/travel/room-torent/Boston-Share/>

There are several more examples. This is just a small part of their whole UK Easy network.

Good luck".

The email was sent from the address [info@apartmentsource.co.uk](mailto:info@apartmentsource.co.uk). Mr Pons gave evidence that Apartmentsource was a competitor to EasyRoommate. Clearly Mr Strieby was not confused, but he appears to have thought that EasyRoommate was a case of "brand theft". Again, this is evidence of someone making a link between EasyRoommate and easyGroup even if he had his own motive for drawing the matter to easyGroup's attention.

260. The sixth is an email from Richard Yeo to Robby Bourlas of easyGroup dated 2 March 2006 with no subject saying:

"I take it you are aware of ...

<http://uk.easyroommate.com/>"

Mr Yeo identified himself as Chief Technology Officer of fish 4 trading ltd, one of whose brands was Fish4Homes, which had discussed taking a licence for easyProperty in 2004 (paragraph 58 above). Clearly Mr Yeo was not confused, but he appears to have thought that EasyRoommate was worth drawing to Mr Bourlas' attention. Again, this is evidence of someone making a link between EasyRoommate and easyGroup even if he had his own motive for drawing the matter to easyGroup's attention.

261. The seventh is an email from Peter Anderson, who identified himself as CEO, Systematic UK, to the domains email address dated 12 May 2007 with the subject “easyroommate” saying:

“[link to [www.easyroommate.com](http://www.easyroommate.com)]

This website originally had a orange website, but has changed. I was under the impression that this was as part as easyGroup. [sic]”

Clearly Mr Anderson was not confused when he sent the email, but he says that he had been under the impression that EasyRoommate was part of easyGroup, and thus appears to have been confused at that time.

262. The eighth is a post by “purple-girl” on a blog called TSR GSCE Society at a website called The Student Room dated 8 August 2008 saying (ellipses in the original):

“Oh, and please say Easy... haven’t taken over everything. The ad to the right of this box is for EasyRoommate.com...I mean, yeah, could be important, but isn’t it taking the Easy group too far =). And I thought they couldn’t go further than easyPizza...”

Counsel for W3 pointed out that it appeared from other posts that purple-girl was waiting for her AS results at the time, and therefore it appears likely that she was about 17. Counsel for W3 submitted that she was not representative of the average consumer, but as noted above it was Mr Evans’ evidence that EasyRoommate’s customers included 16 year olds. Counsel for W3 also submitted, correctly, that there was no evidence that purple-girl had clicked through to the EasyRoommate website. Nevertheless, she appears to have thought from the advertisement that EasyRoommate was another easyGroup brand.

263. The ninth is an email from Jean-Luc Wingert, who from his name and email address appears to have been in France or Belgium, to the domains email address dated 12 November 2009 with the subject “EasyRoommate?!” saying

“Is EasyRoommate member of your group, it’s not clear to me. I’d like to know before proceeding to a payment to this site.”

The email does not show that Mr Wingert was positively confused, but it does indicate that he wondered whether EasyRoommate was part of easyGroup.

264. The tenth is an email from Kunle Shamell to the domains email address dated 4 October 2012 with the subject “name thief” with a link to the EasyRoommate UK website and no further comment. Clearly Mr or Ms Shamell was not confused, but he or she appears to have thought that EasyRoommate was a case of “name theft”. Again, this is evidence of someone making a link between EasyRoommate and easyGroup.

265. The eleventh is a tweet on Twitter by “Shea” dated 17 May 2013 saying:

“Two things. 1: WHY does it come up with easyjet.com every time I try to go onto easyroommate.com, I NEVER USE EASYJET!”

Counsel for W3 submitted that the answer to Shea’s question was that easyJet was bidding on EasyRoommate as a keyword, but he did not put that suggestion to Sir Stelios. I am not convinced that that is the only possible explanation. Another possibility is that an autocomplete function was at work. In any event, it cannot be inferred that Shea was confused or even that he or she would have made a link between EasyRoommate and easyJet absent whatever technology was involved.

266. The twelfth is an email from Barbara Sedano to enquiries@berlinhm.easyHotel.com dated 19 May 2014 with the subject (in translation) “Fwd: FW: Your reservation at easyHotel Berlin Hackescher Markt” saying (in translation):

“I travelled to Berlin in January and I stayed at one of your hotels, easyHotel Berlin Hackescher Markt. Since then, two charges have been made to my bank from one of your hotels EasyRoommate London GB. On 12 May there was a charge for 22.90 and on 30 January for 19.90 euros.

Could you resolve this or provide me with an explanation?”

267. easyHotel replied that it was not associated with the two charges in question, that it had only charged Ms Sedano €119.50 which had been invoiced to her when she checked in and that it was not affiliated with EasyRoommate London GB.
268. Ms Teixeira gave evidence that Ms Sedano had registered with EasyRoommate via www.easypiso.com (i.e. EasyRoommate’s Spanish website), and that Ms Sedano had not contacted EasyRoommate after the exchange with easyHotel. Counsel for W3 suggested that Ms Sedano had forgotten about her registration with EasyPiso and had then remembered when she received the email from easyHotel. This is plausible. Another factor may have been the appearance of the name EasyRoommate rather than the name EasyPiso on her bank statement. Either way, I consider that this evidence shows that, at the time she sent her email to easyHotel, Ms Sedano wrongly thought that EasyRoommate was associated with easyHotel.
269. I turn next to the emails disclosed by W3, again in chronological order. Again, unless I comment to the contrary, it appears that the senders were based in the UK. The first is an email from Philip Kahane dated 17 August 2009 saying:

“I am an annual subscription customer of Easyroommate.

I paid my first annual subscription on 4<sup>th</sup> January 2009, by Amex card.

An unknown merchant began taking £10.00 per month from my Amex card in March 2009. The merchant was Shopperdiscount.co.uk.



I didn't notice these to begin with, as the amount was small. I then spoke to Amex about fraudulent withdrawals, on the phone, and was asked to write to them. It took several weeks for them to write back. I then spoke to them on the phone again.

Amex told me that Shopperdiscount.com had been introduced as a direct debit payee by Easyroommate.

I'm sure you will tell me that when I paid my subscription, I signed up for Shopperdiscount. If I did, & I do not remember doing so, I certainly would not have signed up voluntarily. I don't even know what Shoppersdiscounts are supposed to be doing for me!

I am speculating that this is a website scam to dupe unwary Easyroommate customers into an unrelated direct debit commitment. I don't like this sort of thing. If it's not illegal, it should be, & I'm sure it soon will be.

Could you please explain why the Easy group is involved with this sort of sharp practice? Also what are you going to do to compensate me for the £30.00 this scam has cost me for no service in return?"

W3 accepts that this is an instance of confusion.

270. The second is a very sad email from a person I will refer to as SC to EasyKamer dated 27 September 2010 saying:

"My name is [SC] my husband to be went missing on 19 SEP 10 his name is [AW] he is ... years old and I have found out he has made a payment to easykamer and would desperately like to know if you could help me located him. I have also found out that he has bought an easyjet ticket so I think he may be somewhere in the Netherlands renting a room/flat. He suffers from manic depression ..."

Counsel for W3 submitted that this email did not evidence any confusion. In my view, the email is equivocal. In the case of SC, she may or may not have mentioned the easyJet ticket because she thought that EasyKamer was associated with easyJet. In the case of AW, he evidently transacted with both, and may or may not have thought that the two were connected. A separate point is that counsel for W3 suggested that SC was in the Netherlands, but I disagree with this: SC says that she thinks that AW has travelled to the Netherlands, but she appears to be writing from the UK.

271. The third is an email from Paolo Cilimbini in Italy to EasyStanza dated 15 June 2011 raising two queries, the second of which reads (in translation, ellipses in the original):

“Secondly: when you send me one of these messages of yours, you tell me to click on the link. I click and click but nothing ever opens for me.

I have just been dealing with easyjet, who are telling me to click on the link and it’s all fine. With you, as long as two years ago, I had the same problems and unfortunately I tried again today and I’m having the same problems. I am an advanced member ... advanced where???”

Counsel for W3 submitted that this was not clear evidence of confusion. In my view, although it is just about possible that Mr Cilimbini mentioned easyJet as a random example of a company that sends functional links, it is much more likely that he mentioned it because he thought that easyJet was associated with EasyStanza.

272. The fourth is an email from Silvana Berté in Brazil to Solange Borba of EasyQuarto Brazil dated 22 August 2011 saying (in translation):

“Hi Solange, how are you?

I am contacting you, because I have received emails from easy.com with your name. Because I am interested in a vacancy that is available from the beginning of July, I have already tried both telephone and email, but I have obtained no reply. Could you please see whether this vacancy is still available ... ”

As I understand it, easyGroup relies upon this email, even though confusion in Brazil is not in itself directly relevant to its claims, as showing what could happen in Portugal. But in my view this email does not show that Ms Berté was confused. In context, it is more likely that she was using “easy.com” as an abbreviation for “easyroommate.com”.

273. The fifth is an email from Charles Edward dated 6 October 2016, following an earlier email the same day, complaining about the EasyRoommate website. During the course of the second email Mr Edward said:

“... for Gawd’s sake ask Stelios (!) to fix your site with some filtering system ...

So why write at all? Just because may be in [sic] might get through to an Easy webdesigner who agrees. ...

Landlords like need a website like you to do that filtering for me. Then charge away! Kerching!! And be properly Easy for me.”

W3 accepts that this is an instance of confusion.

274. The sixth is an email from Rosa Luna in Spain to EasyPiso dated 10 November 2016 saying (in translation, ellipses in the original):

“I have not received any help from easyJet piso up until now ... The problem is that I cannot view properties ... I hope my payment has not been a waste of money ... Thank you.”

When this was put to Mr Evans, he suggested that the reference to easyJet could be as a result of predictive text. I consider that this is plausible. Accordingly, this email cannot be regarded as evidence of confusion or even a link.

275. The seventh is an email from a Maria Jesus in Spain to EasyPiso dated 18 July 2017 saying:

“I work in Sabadell and I would like to find a room and to know how the easy.com services work.”

Counsel for W3 submitted that it was unclear what the sender was referring to by “easy.com”. I agree. It is at least possible that she was using “easy.com” as an abbreviation for “easyroommate.com”.

276. The upshot is that there is evidence of a small number of instances of actual confusion and evidence of a further small number of instances of persons who were not confused, but nevertheless made a link between EasyRoommate and easyGroup. Although counsel for easyGroup sought to rely upon this evidence as supporting easyGroup’s claims under Article 9(1)(b), I agree with counsel for W3 that it lends little support to easyGroup’s claims in respect of “EasyRoommate” and “easyroommate” in the UK. Although most of the instances emanate from the UK, one comes from Italy. More importantly, many of the instances date from long after 15 August 2000, although I bear in mind the fact that there may have been evidence of further instances in W3’s emails prior to 2010 which cannot now be searched. Still more importantly, although evidence of actual confusion is not required for a claim under Article 9(1)(b) to succeed, the duration and extent of the side by side use and the efforts which been put into finding evidence of confusion are such that, if there was a likelihood of confusion, then one would expect far more abundant evidence of confusion to have been found: cf. *J.W. Spear & Sons Ltd v Zynga Inc* [2015] EWCA Civ 290, [2015] ETMR 27 at [181] (Floyd LJ).

277. *Overall assessment.* The inherent distinctive character of the remaining EU trade marks and the identity of the respective services are factors favouring the existence of a likelihood of confusion, but the first factor is not as strong as it would have been if any of the trade marks had an enhanced distinctive character. The moderately high level of attention militates against a likelihood of confusion, but not strongly. The fact that the only common features between the signs and the trade marks are the word EASY, which is descriptive, together with the formation of a new word from the combination of that word with another word (starting in some cases with an upper case initial letter) points toward the absence of a likelihood of confusion. The same is true of the third party uses, although that is not a factor I place much weight on. Taking into account the few instances of confusion that have been found, overall I conclude that there was no likelihood of confusion with any of the remaining EU trade marks as result of W3’s use of either “EasyRoommate” or “easyroommate” at any of the relevant dates.

278. *Conclusion.* For the reasons given above, I conclude that W3 has not infringed any of easyGroup's EU trade marks by use of the signs "EasyRoommate" and "easyroommate" in the UK pursuant to Article 9(1)(b) of the Regulation.

*Assessment: the Roof Logo*

279. As discussed above, W3's use of the Roof Logo requires a separate assessment to be made as at a later date, namely June 2009. This changes the picture in a number of respects.

280. First, the EASYJET trade mark had acquired a greater degree of distinctive character in relation to temporary accommodation as a result of the use which had been made of it (it had also acquired a greater degree of distinctive character in relation to passenger airline services, but as noted above that is not relied upon for this purpose).

281. Secondly, the easyHotel trade mark had also acquired some degree of distinctive character in relation to advertising and temporary accommodation through use.

282. Thirdly, I consider that by June 2009 easyGroup was in a position to rely at least to some extent upon a family of trade marks. Moreover, by this time it had been making some attempt to educate the public as to the existence of that family.

283. Fourthly, comparing the Roof Logo with the trade marks, although the Roof Logo is no more phonetically or conceptually similar than "EasyRoommate" and "easyroommate", I consider that it is visually more similar because of the accentuation of the Easy element. Moreover, by June 2009 I consider that the use of such a similar shade of orange to that used by easyGroup and such a similar font (Geometric sans serif) to that used by easyGroup are also factors which must be taken into account, although minor in and of themselves.

284. Fifthly, the more recent evidence of confusion, such as it is, carries more weight in this context both because it is closer in time to the relevant date and because the sign has been used for a shorter period of time. On the other hand, there is nothing to tie the evidence of confusion to the visual similarities discussed in the preceding paragraph.

285. All of these factors favour the existence of a likelihood of confusion through use of the Roof Logo as at June 2009 even assuming that I am correct that there was no likelihood of confusion through use of "EasyRoommate" or "easyroommate" as at the earlier dates. Moreover, there are no additional factors to put into the balance on the other side of the scales. As a result, the assessment is more finely balanced. Nevertheless, I have concluded that easyGroup has not demonstrated that there was a likelihood of confusion. In reaching this conclusion I place particular weight on the absence of greater evidence of confusion despite the passage of over eight years since W3 adopted the Roof Logo and the substantial scale of the EasyRoommate business.

286. Accordingly, I conclude that W3 has not infringed any of easyGroup's EU trade marks by use of the Roof Logo in the UK pursuant to Article 9(1)(b) of the Regulation.

### Honest concurrent use

287. W3 relies, if necessary, on a defence of honest concurrent use to easyGroup's claims under Article 9(1)(b). Having regard to my conclusions above, this issue does not arise. I am doubtful, however, whether a separate defence of honest concurrent use is available to a claim under Article 9(1)(b). Counsel for W3 relied upon Case C-482/09 *Budějovický Budvar národní podnik v Anheuser-Busch Inc* [2011] ECR I-8701 and *Supreme Petfoods*, but those were decisions under Article 4(1)(a) of the Directive and Article 5(1)(a) of the Directive respectively. In the context of Article 9(1)(b) of the Regulation, honest concurrent use is probably a factor that falls to be taken into account as part of the global assessment, even where much of the use relied upon post-dates the relevant date. Fortunately, it is not necessary to reach a conclusion on this point.

### Infringement under Article 9(1)(c) in the UK

288. easyGroup contends that W3 has infringed easyGroup's EU trade marks other than easyDorm, EASYOFFICE and easyProperty by use of the EasyRoommate signs in the UK under Article 9(1)(c) of the Regulation. Again, the claim for infringement of the EASY trade mark falls away. An important distinction between easyGroup's claim under Article 9(1)(c) and its claim under Article 9(1)(b) is that, for the purposes of the claim under Article 9(1)(c), it relies upon the admitted reputation of the EASYJET trade mark in relation to passenger airline services.

### *The law*

289. In Case C-292/00 *Davidoff & Cie SA v Gofkid Ltd* [2003] ECR I-389 and Case C-408/01 *Adidas-Salomon AG v Fitnessworld Trading Ltd* [2003] ECR I-12537 the CJEU held that, although the wording of Article 9(1)(c) of the Regulation and Article 5(2) of the Directive refer to goods or services which are not similar to those for which the mark is registered, this form of protection also extends to cases where a sign which is identical with or similar to the trade mark is used in relation to goods or services identical with or similar to those covered by the trade mark. The Court of Justice also held in *Adidas-Salomon* that it is not necessary for the trade mark proprietor to establish a likelihood of confusion in order to succeed in such a claim.

290. Accordingly, in order to establish infringement under Article 9(1)(c) of the Regulation, nine conditions must be satisfied: (i) the trade mark must have a reputation in the relevant territory; (ii) there must be use of a sign by a third party within the relevant territory; (iii) the use must be in the course of trade; (iv) it must be without the consent of the proprietor of the trade mark; (v) it must be of a sign which is at least similar to the trade mark; (vi) it must be in relation to goods or services; (vii) it must give rise to a "link" between the sign and the trade mark in the mind of the average consumer; (viii) it must give rise to one of three types of injury, that is to say, (a) detriment to the distinctive character of the trade mark, (b) detriment to the repute of the trade mark or (c) unfair advantage being taken of the distinctive character or repute of the trade mark; and (ix) it must be without due cause. In the present case, there is no issue as to ingredients (ii), (iii), (iv), (v) or (vi).

291. *Reputation of the trade mark.* This is not a particularly onerous requirement. As the Court of Justice explained in Case C-375/97 *General Motors Corp v Yplon SA* [1999] ECR I-5421:
- “24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.
25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.
26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.
27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”
292. Although in the case of an EU trade mark the mark must be known by a significant part of the relevant public in a substantial part of the territory of the EU, in an appropriate case the territory of a single Member State may suffice for this purpose: see Case C-301/07 *PAGO International GmbH* [2009] ECR I-9429.
293. Where the EU trade mark has a reputation in some Member States but not others, it would appear to follow as a matter of logic that there can only be a claim for infringement under Article 9(1)(c) through use of a sign in those Member States where the trade mark has a reputation. It is presently unclear from the jurisprudence of the CJEU whether this is the law, however. The reasoning of the CJEU in Case C-235/09 *DHL Express France SAS v Chronopost SA* [2011] ECR I-2801, Case C-223/15 *combit Software GmbH v Commit Business Solutions Ltd* [EU:C:2016:719], [2016] Bus LR 1393 and Case C-93/16 *Ornuo Co-operative Limited v Tindale & Stanton Ltd España SL* [EU:C:2017:571], [2017] ETMR 37 suggests that it is. On the other hand, the judgments of the CJEU in *PAGO* and Case C-125/14 *Iron & Smith kft v Unilever NV* [EU:C:2015:539], [2015] Bus LR 1025 suggest that, at least in some circumstances, a claim for infringement may lie in respect of use in Member States where the trade mark does not have a reputation. Fortunately, neither side contends that it is necessary to try to resolve this conundrum in the present case.
294. *Link.* Whether the use of the sign gives rise to a link between the sign and the trade mark in the mind of the average consumer must be appreciated globally having regard to all the circumstances of the case: see *Adidas-Salomon v Fitnessworld* at [29]-[30] and *Specsavers (CJEU)* at [120]. The fact that the sign would call the trade mark to mind for the average consumer, who is reasonably well informed and reasonably

observant and circumspect, is tantamount to the existence of such a link: see Case C-252/07 *Intel Corp Inc v CPM United Kingdom Ltd* [2008] ECR I-8823 at [60] and *Specsavers (CJEU)* at [121].

295. *Detriment to the distinctive character of the trade mark.* In *Intel* the Court of Justice held as follows in relation to this type of injury:

- i) The more immediately and strongly the trade mark is brought to mind by the sign, the greater the likelihood that the current or future use of the sign is detrimental to the distinctive character of the mark: [67].
- ii) The stronger the earlier mark's distinctive character and reputation, the easier it will be to accept that detriment has been caused to it: [69].
- iii) The existence of a link between the sign and the mark does not dispense the trade mark proprietor from having to prove actual and present injury to its mark, or a serious likelihood that such an injury will occur in the future: [71].
- iv) The more "unique" the trade mark, the greater the likelihood that use of a later identical or similar mark will be detrimental to its distinctive character: [74].
- v) Detriment to the distinctive character of the trade mark is caused when the mark's ability to identify the goods or services for which it is registered and used as coming from the proprietor is weakened. It follows that proof that the use of the sign is or would be detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the mark is registered consequent on the use of the sign, or a serious likelihood that such a change will occur in the future: [77].

296. In Case C-383/12 *Environmental Manufacturing LLP v Office for Harmonisation in the Internal Market* [EU:C:2013:741] the Court of Justice re-iterated that proof that the use of the sign is, or would be, detrimental to the distinctive character of the trade mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the mark is registered consequent on the use of the sign, or a serious likelihood that such a change will occur in the future. In this connection, the Court held:

"42. Admittedly, Regulation No 207/2009 and the Court's case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on 'an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case'."

297. *Detriment to the repute of the trade mark.* The Court of Justice described detriment to the reputation of the earlier mark in Case C-487/07 *L'Oréal SA v Bellure NV* [2009] ECR I-5185 at [40] as follows:

“As regards detriment to the repute of the mark, also referred to as ‘tarnishment’ or ‘degradation’, such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark’s power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.”

298. *Unfair advantage.* The Court of Justice described taking unfair advantage of the distinctive character or repute of a trade mark in *L'Oréal v Bellure* at [41] as follows:

“As regards the concept of ‘taking unfair advantage of the distinctive character or the repute of the trade mark’, also referred to as ‘parasitism’ or ‘free-riding’, that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.”

299. The Court of Justice explained the correct approach to determining whether unfair advantage has been taken of the distinctive character or repute of the trade mark in that case as follows:

“44. In order to determine whether the use of a sign takes unfair advantage of the distinctive character or the repute of the mark, it is necessary to undertake a global assessment, taking into account all factors relevant to the circumstances of the case, which include the strength of the mark’s reputation and the degree of distinctive character of the mark, the degree of similarity between the marks at issue and the nature and degree of proximity of the goods or services concerned. As regards the strength of the reputation and the degree of distinctive character of the mark, the Court has already held that, the stronger that mark’s distinctive character and reputation are, the easier it will be to accept that detriment has been caused to it. It is also clear from the case-law that, the more immediately and strongly the mark is brought to mind by the sign, the greater the likelihood that the current or future use of the sign is taking, or will take, unfair advantage of the distinctive character or the repute of the mark or is, or will be, detrimental to them (see, to that effect, *Intel Corporation*, paragraphs 67 to 69).



45. In addition, it must be stated that any such global assessment may also take into account, where necessary, the fact that there is a likelihood of dilution or tarnishment of the mark.

...

49. In that regard, where a third party attempts, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark, the advantage resulting from such use must be considered to be an advantage that has been unfairly taken of the distinctive character or the repute of that mark.”

300. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal in this country that the defendant’s conduct is most likely to be regarded as unfair where he intends to take advantage of the reputation and goodwill of the trade mark. Nevertheless, in *Jack Wills Ltd v House of Fraser (Stores) Ltd* [2014] EWHC 110 (Ch), [2014] FSR 39 at [80] I concluded that there is nothing in the case law to preclude the court from holding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill. Counsel for W3 did not challenge that conclusion.

301. *Due cause.* The CJEU held in Case C-65/12 *Leidseplein Beheer BV v Red Bull GmbH* [EU:C:2014:49], [2014] Bus LR 280 at [60] that:

“ Article 5(2) of [the Directive] must be interpreted as meaning that the proprietor of a trade mark with a reputation may be obliged, pursuant to the concept of ‘due cause’ within the meaning of that provision, to tolerate the use by a third party of a sign similar to that mark in relation to a product which is identical to that for which that mark was registered, if it is demonstrated that that sign was being used before that mark was filed and that the use of that sign in relation to the identical product is in good faith. In order to determine whether that is so, the national court must take account, in particular, of:

- how that sign has been accepted by, and what its reputation is with, the relevant public;
- the degree of proximity between the goods and services for which that sign was originally used and the product

for which the mark with a reputation was registered;  
and

- the economic and commercial significance of the use for that product of the sign which is similar to that mark.”

*Assessment: EasyRoommate and easyroommate*

302. *Reputation of the trade marks.* easyGroup contends that each of the EU trade marks it relies on except for easyHotel had a reputation in each of the nine Member States in issue as at 15 August 2000. In the case of easyHotel, it claims a reputation from December 2003.
303. W3 admits that EASYJET had a reputation in relation to passenger airline services at all relevant dates. Counsel for W3 took no point on the territorial extent of that reputation. By contrast, although W3 admits that easyHotel had acquired a reputation in relation to hotel services and the booking of hotel rooms by June 2009, it only admits that reputation in the UK.
304. For the reasons given above, I am prepared to accept that EASYJET had acquired a greater degree of distinctive character than it inherently had in relation to temporary accommodation in the UK by June 2009. I am not satisfied that EASYJET had a reputation in relation to those services as at June 2009, however. Although there had been some use, it had not been extensive, and it was subsidiary to the use in relation to passenger airline services. Still less did it have a reputation in relation to those services even in the UK as at August 2000.
305. In my judgment easyGroup has not established that easyHotel had a reputation prior to June 2009. Nor has it established that it had a reputation outside the UK as at that date, since it had not opened any hotels outside the UK by then.
306. Nor, in my judgment, has easyGroup established that either EASYGROUP or EASY.COM acquired a reputation in relation to the services relied on even in the UK as at either August 2000 or June 2009.
307. *Link.* For the reasons given above, it is only necessary to consider whether the average consumer would make a link between “EasyRoommate” or “easyroommate” used in relation to the advertising and sharing of residential accommodation and EASYJET in relation to passenger airline services in the UK as at August 2000.
308. Counsel for easyGroup relied upon a number of factors as supporting the existence of a link, but many of these are excluded by the conclusions I have previously reached. The main points that are left are (i) EASYJET’s reputation, (ii) the similarity of the signs, (iii) the overlap between the relevant consumers and (iv) the evidence of confusion/making a link discussed above.
309. Counsel for W3 submitted that the average consumer would not make a link for the following reasons:
- i) the signs are only similar in that they share the descriptive EASY element;

- ii) there is no similarity in the services;
  - iii) although there could be an overlap between the relevant consumers, it was no greater than in respect of most goods and services consumed by the general public;
  - iv) there were a large number of third parties using EASY names.
310. I acknowledge the force of the first, second and fourth points made by counsel for W3, although in the case of the first point it should be added that there is also the similarity with respect to the conjoining of words and the second word having an upper case initial letter (but not, of course, the first word). I disagree with the third point. As the evidence shows, easyJet built its reputation as a low-cost, “no-frills” airline. In August 2000 it was particularly popular with people on a budget with internet skills, who tended to be younger people. Likewise, EasyRoommate targeted (in the case of those looking for accommodation) people on a budget with internet skills, who were mainly younger people.
311. Furthermore, in this context it seems to me that some weight needs to be given to the evidence of confusion/making a link even though much of it dates from rather later. It is inherently more likely that consumers would make a link than that they would be confused, and some of the evidence shows consumers making a link although they were not confused.
312. Both sides made points about colour and other aspects of get-up and context, but I do not consider that these points provide strong support for either side’s case on this issue.
313. On balance, I am narrowly persuaded that a significant proportion of consumers familiar with the reputation of EASYJET would have made a link between the signs and the trade mark, in the sense that the signs would have called the trade mark to mind. But that is not sufficient for infringement unless easyGroup can also establish one of the three kinds of injury required.
314. *Detriment to the distinctive character of the trade marks.* easyGroup contends that W3’s use of “EasyRoommate” and “easyroommate” diluted the exclusivity, and hence the distinctive character, of its trade marks. I do not accept this. The only trade mark that is relevant is EASYJET. The dilution alleged can only relate to the EASY element of the mark, but that was far from unique. In any event, there is no evidence of a change in the economic behaviour of the relevant consumers.
315. *Detriment to the repute of the trade marks.* The evidence relied upon by easyGroup in support of its claim to detriment of the repute of the trade marks dates from long after August 2000. For that reason, I shall consider it in the context of easyGroup’s claim in respect of the Roof Logo. There is no reason to suppose that the reputation of the EASYJET trade mark has been affected by the use of “EasyRoommate” and “easyroommate”.
316. *Unfair advantage.* In my view, unfair advantage represents easyGroup’s strongest case under Article 9(1)(c). Nevertheless, I am not persuaded that use of the signs “EasyRoommate” and “easyroommate” took unfair advantage of the reputation of the

EASYJET trade mark as at August 2000. Although the trade mark had a reputation at that time, the reputation was confined to passenger airline services. Although there was some use of other “easy-” marks, it was only on a relatively small scale at that time. There is no reason to suppose that EasyRoommate would have benefitted from any transfer of image from EASYJET. Nor is there any reason to suppose that EasyRoommate would have gained any unfair advantage from the reputation of EASYJET in any other way. As with the issue of detriment to the repute of the trade marks, easyGroup relies upon evidence which dates from long after August 2000 and which I will consider below.

317. *Due cause.* W3 does not rely upon due cause if the claim is assessed as at August 2000, but for the reasons given above it does not need to.
318. *Conclusion.* For the reasons given above, I conclude that W3 has not infringed any of easyGroup’s EU trade marks by use of the signs “EasyRoommate” and “easyroommate” in the UK pursuant to Article 9(1)(c) of the Regulation.

*Assessment: the Roof Logo*

319. *Reputation of the trade marks.* I have considered this above.
320. *Link.* In my judgment, easyGroup has a stronger case with respect to this issue in relation to the Roof Logo than in relation to “EasyRoommate” and “easyroommate” for a number of reasons. First, the date of assessment is June 2009. Secondly, by that date EASYJET had a bigger reputation in relation to passenger airline services than in August 2000. Thirdly, by June 2009 easyHotel had a reputation. Fourthly, by June 2009 easyGroup had done more to establish and educate the public that it had a family of brands. Fifthly, the Roof Logo accentuates the EASY element for the reasons discussed above. Sixthly, the shade of orange and font must be taken into account.
321. On the other hand, some of the evidence of confusion/making a link must be discounted for this purpose, because it dates from before the adoption of the Roof Logo. On the other hand, the evidence which post-dates June 2009 carries a little more weight, in that it is closer to the relevant date and the circumstances have changed less since June 2009 than since August 2000.
322. Overall, I conclude that a significant proportion of consumers would make a link.
323. *Detriment to the distinctive character of the trade marks.* Again, there is no evidence of a change in the economic behaviour of the relevant consumers
324. *Detriment to the repute of the trade marks.* easyGroup relies upon two different types of evidence in support of its contention that the use of the Roof Logo had damaged the repute of the trade marks.
325. The first type of evidence is most clearly exemplified by Mr Kahane’s email (see paragraph 269 above). Mr Kahane wanted to know “why the Easy group is involved with this sort of sharp practice?”. Counsel for easyGroup submitted that this kind of confusion was clearly damaging to the reputation of easyGroup’s trade marks, and in particular the EASYJET trade mark. I entirely accept that, but I do not consider that this gets easyGroup home. I have concluded that there was no likelihood of confusion,

and thus Mr Kahane was unrepresentative. Furthermore, the incident which gave rise to his complaint appears to have been an isolated one. There is no evidence that EasyRoommate continued to enter into arrangements of the kind that it may have done with Shoppersdiscount (I say “may have done”, because counsel for easyGroup did not establish in his cross-examination of Mr Pons that there was such an arrangement and appeared – although the transcript is not very clear – to concede that there was not).

326. The second type of evidence concerns Vivastreet. As explained above, VivaStreet provides a classified advertising service. One of the classes of listing is “Adult”, which includes “Escorts & Massages”, “Webcams” and “Adult jobs” among other things. Furthermore, EasyRoommate is advertised on, and can be accessed through, the Vivastreet website: by clicking on the “Flatshare – Rooms to Rent” link within the “Property” section on the homepage of the Vivastreet website the user is taken through to a property search interface provided by EasyRoommate. This interface is effectively co-branded EasyRoommate and Vivastreet. Some of the listings displayed appear to suggest that the accommodation is being offered for use by sex workers or in return for sexual services. easyGroup contends that the listings on VivaStreet are inherently undesirable and incompatible with the image built up by easyGroup as an ethical business, and that the same applies to the EasyRoommate listings I have just referred to. Although it was not suggested that such listings are displayed to ordinary users of the EasyRoommate website, I see no reason why they should not be.
327. Furthermore, easyGroup relies on the fact that advertisements placed by Vivastreet in outdoor media such as posters in bus stops caused complaints. On 29 May 2015 *The Mirror* newspaper reported that “controversial posters have been removed from bus stops – after complains they were ‘sex adverts’”. A decision by the Advertising Standards Authority (“ASA”) dated 8 July 2015 found that the adverts in question:
- “...objectified women and implied that they could be bought on the Vivastreet website, which was likely to cause serious or widespread offence... it was socially irresponsible to place the ads in outdoor media because they were likely to be seen by children ... We concluded that .... the ads were likely to cause serious or widespread offence and that they were unsuitable for public display.”
328. It is convenient to deal with these points in reverse order. So far as the advertisements for Vivastreet are concerned, there is no apparent connection between these and EasyRoommate. Accordingly, this is much too remote to have caused any damage to the trade marks. Moreover, easyGroup’s businesses have not always had an exemplary record in this regard. In April 2004 the ASA reported that the third most-complained about advertisement it had dealt with in the preceding year was an easyJet poster showing a woman’s cleavage under the heading “Weapons of Mass Distraction”.
329. As for the listings on Vivastreet and EasyRoommate, as will be apparent to visitors to those sites, these represent user-generated content. In the case of the adult listings on Vivastreet, there is again no apparent connection with EasyRoommate, because they are in a different section of the website. Even if one assumes that a user of Vivastreet browses both sections, they still need to make links first between Vivastreet and

EasyRoommate and then between EasyRoommate and easyGroup's trade marks. That is improbable. That leaves the listings on EasyRoommate itself. But if such listings had adversely affected the reputation of any of easyGroup's trade marks there would be some evidence of it by now, and there is none. For example, none of the evidence of confusion/making a link refers to such listings.

330. *Unfair advantage.* As noted above, I consider that unfair advantage represents easyGroup's strongest case under Article 9(1)(c). Furthermore, it is stronger in relation to the Roof Logo than it is in relation to "EasyRoommate" and "easyroommate" for the reasons I have already explained. I have therefore given particularly careful consideration to this aspect of the claim.
331. In support of its claim, easyGroup places particular reliance upon the following evidence. First, an email disclosed by W3 from Michael Gough of Sparks Studio, which was advising W3 on a potential change of name (see paragraph 102 above), dated 27 February 2015. Sparks Studio had carried out a survey of consumer awareness of the EasyRoommate brand. Mr Gough commented on the results as follows:

"We've been reflecting on the relatively high awareness of the brand currently.

We mustn't rule out the very real possibility that those surveyed may have thought of easyproperty.com and assumed a relationship to your business.

We did a similar exercise for the investment bank Rothschild and some clearly got them mixed up with cigarette manufacturer Rothmans – stating associations with formula 1 in the 1990s.

The Easy Group do so much – flight, hotels, car hire, buses – that a big chunk of that 32% might just be people who think they have heard of you, but are actually thinking of them. Does that make sense?"

332. Counsel for W3 pointed out that the link apparently suggested by Mr Gough was with easyProperty and not with either EASYJET or easyHotel, but easyGroup does not rely on the easyProperty trade mark under Article 9(1)(c) because easyProperty only started trading in 2014. Counsel also submitted that, insofar as Mr Gough may have been suggesting that people had made a link more generally with easyGroup, this was (a) speculation on his part and (b) speculation that arose because easyGroup's licensing had extended so far that it had made it into the property field by 2014, which is five years after the relevant date. In my view Mr Gough's opinion carries some weight as the opinion of an experienced branding professional, and as I read his email his opinion was not solely based on easyGroup's extension into property, but otherwise I accept these submissions.
333. Secondly, easyGroup relies upon the evidence of Sir Stelios that, not only are there already a large number of licences of "easy-" brands for which the licensees pay significant sums, but also he receives several serious enquiries a month from

prospective licensees and franchisees. Counsel for easyGroup submitted, and I accept, that this demonstrates the value not only of easyGroup's existing trade marks but also of similar "easy-" trade marks, and the benefit that may be derived by a third party from their use.

334. Thirdly, easyGroup relies upon some of the evidence of confusion/making a link as showing that W3 has obtained the benefit of the reputation attaching to easyGroup's trade marks without having to pay for it, which was classic free-riding. In this regard, counsel for easyGroup particularly relied upon the email from Mr Wingert enquiring whether EasyRoommate was a member of easyGroup before making a payment to EasyRoommate (paragraph 263 above) as concrete evidence of the potential benefit of an association with easyGroup. I would add that it is also evidence that is close in time to the relevant date.
335. In my view, easyGroup's case on this issue has considerable force. In the end, however, I have not felt able to accept it. There are three inter-linked reasons for this. First, it is important to re-iterate that the relevant date is June 2009. Secondly, the only EU trade marks which had a reputation at that date were EASYJET and easyHotel. Thirdly, although it is undoubtedly the case that easyGroup had engaged in brand extension activities prior to June 2009, and that some consumers are likely to have been aware of that, I think it is significant that (a) as at June 2009 easyGroup's businesses like easyInternetcafé, easyCar, easyValue and easyMoney had either ceased trading or wound down their activities, and thus had a much lower profile than in, say, 2002 or 2003, and (b) it was only in 2014 that easyGroup extended into property with easyProperty. Accordingly, I conclude that W3's use of the Roof Logo did not take unfair advantage of any of easyGroup's EU trade marks as at June 2009.
336. *Due cause.* W3 contends that, by June 2009, it had due cause because of the previous use of the "EasyRoommate" and "easyroommate" signs. I do not think that W3 really relies upon this as justifying use of the Roof Logo, but in any event I am clear that it does not. As it is, however, W3 does not have to show due cause for use of the Roof Logo.
337. *Conclusion.* For the reasons given above, I conclude that W3 has not infringed any of easyGroup's EU trade marks by use of the Roof Logo in the UK pursuant to Article 9(1)(c) of the Regulation.

#### Infringement by the European Equivalents

338. In principle, it is necessary to make a separate assessment of easyGroup's infringement claims in relation to each of the European Equivalents as at the applicable dates. Moreover, in principle, the task is complicated by the need to take into account linguistic and cultural factors which might affect the relevant consumers' perceptions of the respective signs in the respective Member States. But neither side has adduced any expert or factual evidence to assist the Court with respect to such factors. Perhaps for that reason, there was a tendency on both sides to treat easyGroup's claims in respect of the European Equivalents as standing or falling with its claims in respect of the signs used in the UK. Certainly, little separate attention was paid to the European Equivalents by either counsel in closing submissions. I see no reason to take a different course in this judgment, even though the relevant dates of assessment are later with respect to the signs "EasyPiso", "EasyWG", "EasyStanza",

“EasyKamer”, “EasyQuarto” and “EasyKot” than for “easyRommmate” and “easyroommate” (the relevant date is the same with respect to the European Equivalents of the Roof Logo as for the Roof Logo). Accordingly, I conclude that W3 has not infringed easyGroup’s EU trade marks through use of the European Equivalents.

### Statutory acquiescence

339. As noted above, W3 registered EasyRoommate as a UK trade mark. W3 relies upon section 48 of the 1994 Act, which implements Article 9 of the Directive, as providing an affirmative defence to easyGroup’s claims of trade mark infringement. Although W3 does not need this defence if my conclusions with respect to infringement are right, I shall address it in case I am wrong.

### *The law*

340. Article 9 of the Directive provides:

#### **“Limitation in consequence of acquiescence**

1. Where, in a Member State, the proprietor of an earlier trade mark as referred to in Article 4 (2) has acquiesced, for a period of five successive years, in the use of a later trade mark registered in that Member State while being aware of such use, he shall no longer be entitled on the basis of the earlier trade mark either to apply for a declaration that the later trade mark is invalid or to oppose the use of the later trade mark in respect of the goods or services for which the later trade mark has been used , unless registration of the later trade mark was applied for in bad faith.
2. Any Member State may provide that paragraph 1 shall apply mutatis mutandis to the proprietor of an earlier trade mark referred to in Article 4(4)(a) or an other earlier right referred to in Article 4(4)(b) or (c).
3. In the cases referred to in paragraphs 1 and 2, the proprietor of a later registered trade mark shall not be entitled to oppose the use of the earlier right, even though that right may no longer be invoked against the later trade mark.”

341. In section 48 the UK exercised the option conferred by Article 9(2) of extending the defence of acquiescence to Community trade marks (now EU trade marks) and to earlier rights under the law of passing off.

342. In *Levi Strauss* the CJEU, having referred at [28] to Articles 9, 10 and 12 of the Directive, went on to say:

- “29. Those provisions indicate that the purpose of Directive 89/104 is generally to strike a balance between the interest of the proprietor of a trade mark to safeguard its essential function, on



the one hand, and the interests of other economic operators in having signs capable of denoting their products and services  
....

30. It follows that the protection of rights that the proprietor of a trade mark derives under the directive in question is not unconditional, since in order to maintain the balance between those interests that protection is limited in particular to those cases in which the proprietor shows himself to be sufficiently vigilant by opposing the use of signs by other operators likely to infringe his mark.”
343. The interpretation of Article 9 of the Directive was considered by the CJEU in more detail in *Budějovický Budvar*. In that case the Court held that the prerequisites for the five-year period starting to run were:
- i) registration of the later trade mark in the Member State concerned;
  - ii) the application for registration of that mark having been made in good faith;
  - iii) use of that mark by its proprietor in the Member State where it had been registered; and
  - iv) knowledge by the proprietor of the earlier trade mark that the later mark had been registered and used after its registration.
344. As to the meaning of “acquiescence”, the Court stated:
- “34. ... according to the Court’s case-law, the provisions of Directive 89/104, and in particular Article 9 thereof, indicate that the purpose of the directive is generally to strike a balance between the interest of the proprietor of a trade mark to safeguard its essential function, on the one hand, and the interests of other economic operators in having signs capable of denoting their goods and services, on the other (Case C-145/05 *Levi Strauss* [2006] ECR I-3703, paragraphs 28 and 29).
- ...
41. First, it is clear that, in the majority of language versions of Directive 89/104, the same word is used both in the eleventh recital and in Article 9(1) of the directive to designate ‘acquiescence’. The fact that the English language version uses the words ‘tolerated’ in the eleventh recital and ‘acquiesced in’ in Article 9(1) is immaterial since, as pointed out by the United Kingdom Government in its written observations, the use of the word ‘tolerated’ does not imply that a less restrictive interpretation of Article 9(1) should be adopted.

42. Next, it must be observed that the verb ‘acquiesce’ has several usual meanings in everyday language, one of those signifying ‘allow to continue’ or ‘not prevent’.
43. ‘Acquiescence’ is therefore not the same as ‘consent’, as referred to in Article 7(1) of Directive 89/104, which must be so expressed that an intention to renounce a right is unequivocally demonstrated (see *Zino Davidoff and Levi Strauss*, paragraph 45).
44. As observed by the Advocate General in point 70 of her Opinion, referring in particular to the Danish and Swedish language versions of Article 9 of Directive 89/104, the characteristic of a person who acquiesces is that he is passive and declines to take measures open to him to remedy a situation of which he is aware and which is not necessarily as he wishes. To put that another way, the concept of ‘acquiescence’ implies that the person who acquiesces remains inactive when faced with a situation which he would be in a position to oppose.
45. For the purposes of Article 9(1) of Directive 89/104, that concept of ‘acquiescence’ must therefore be interpreted as meaning that the proprietor of an earlier trade mark cannot be held to have acquiesced in the long and well-established honest use, of which he has long been aware, by a third party of a later trade mark which is identical with that of the proprietor if that proprietor was not in any position to oppose that use.
46. That interpretation is supported by the context of Article 9(1) of Directive 89/104 and by the objectives of the directive.
47. First, the eleventh recital of that directive states that the proprietor of the earlier trade mark must have ‘knowingly tolerated’ the use of a trade mark subsequent to his own for a substantial length of time, in other words ‘intentionally’, ‘in full knowledge of the facts’. The eleventh recital also states that the interests of the proprietor of an earlier trade mark must not be ‘inequitably’ prejudiced. As observed by the Advocate General in point 72 of her Opinion, it would be inequitable if the proprietor of the earlier trade mark were to be excluded by limitation from seeking a declaration of invalidity or opposing the use of an identical later trade mark, in circumstances even where he was not in a position to do so.
48. Second, as stated above in paragraph 34 of this judgment, the objective of Directive 89/104 is to strike a balance between the interest of the proprietor of a trade mark to safeguard its essential function and the interests of other economic operators in having signs capable of denoting their goods and services. That objective implies that, in order to safeguard that essential

function, the proprietor of an earlier trade mark must be capable, in the context of the application of Article 9(1) of that directive, of opposing the use of a later trade mark identical with his own.

49. It must be added that, as stated by the European Commission, the effect of any administrative action or court action initiated by the proprietor of the earlier trade mark within the period prescribed in Article 9(1) of Directive 89/104 is to interrupt the period of limitation in consequence of acquiescence.
50. In the light of the foregoing, the answer to parts (a) and (b) of the first question is that acquiescence, within the meaning of Article 9(1) of Directive 89/104, is a concept of European Union law and that the proprietor of an earlier trade mark cannot be held to have acquiesced in the long and well-established honest use, of which he has long been aware, by a third party of a later trade mark identical with that of the proprietor if that proprietor was not in any position to oppose that use.”
345. Counsel for W3 submitted that, although the CJEU had not specifically repeated what it had said in *Levi Strauss* at [30] in *Budweiser*, the reasoning of the Court in the latter case was consistent with its earlier statement that protection was limited to “those cases in which the proprietor shows himself to be sufficiently vigilant by opposing use of signs by other operators likely to infringe his mark”. I agree with this.
346. Two issues of law as to the interpretation of Article 9 emerged at trial. Rather than consider them in the abstract, however, it is more convenient to address them in context in which they arise.

#### *Assessment*

347. The EasyRoommate trade mark was registered on 30 January 2009. easyGroup has not contended in these proceedings that the trade mark was applied for in bad faith. Accordingly, it is common ground that, at least in relation to use of the trade mark in the form registered, the relevant five-year period is 31 January 2009 to 30 January 2014. (easyGroup contends that, so far as use of the Roof Logo is concerned, the five-year period does not start until June 2009; but it does not matter whether or not this is correct for reasons which will appear.) It is also common ground that easyGroup was aware of W3’s use of the EasyRoommate trade mark in the UK throughout that period, and that W3 had registered it as a UK trade mark.
348. During that period:
- i) easyGroup wrote to W3 on 19 February 2009 requesting W3 to reinstate the disclaimer which had been removed and to change the EasyRoommate logo to blue, which led to W3 reinstating the disclaimer until April 2011 but not changing the logo (see paragraphs 133-136 above); and

- ii) easyGroup instructed Clarke Willmott to send a letter before action to W3 dated 12 April 2011, followed by draft Particulars of Claim on 25 November 2011, which led to without prejudice discussions, but no agreement or action on the part of W3 (see paragraphs 137-142 above).
349. The first issue which arises is whether it is necessary for a trade mark proprietor to commence proceedings of some kind in order to stop the acquiescence clock running, or whether it is sufficient to instruct solicitors to write a letter before action and draft Particulars of Claim.
350. Counsel for W3 submitted that it was incumbent on the trade mark proprietor to commence proceedings before a competent tribunal, either for infringement or for a declaration that the relevant trade mark was invalidly registered. Simply writing letters was not enough, since otherwise a trade mark proprietor could extend the five-year period indefinitely simply by writing letters at intervals of just less than five years. In support of this submission, he relied upon what the CJEU had said in *Levi Strauss* at [30]. He also relied upon the statement by Advocate General Trstenjak in her opinion in *Budějovický Budvar* at [70] that “[a]cquiescence logically ends only when the person concerned defends himself publicly”. Finally, he relied upon the judgment of the Corte di Cassazione (Italian Supreme Court) in *Camomilla SRL v Camomilla SPA* (judgment number 19927 of 1 July 2008). In that case the Court held that the sending of a formal notice was not sufficient to stop time running, but only the commencement of proceedings.
351. Counsel for easyGroup submitted that a trade mark proprietor who instructed solicitors to send a letter before action and draft Particulars of Claim could not be said to be passive or inactive, and therefore had not acquiesced in the conduct complained of. He argued that the CJEU had not said in *Levi Strauss* what steps were required by way of “opposing the use” of the later trade mark, and that it was unclear what the Advocate General had meant in *Budějovický Budvar* by “defends himself publicly”. As for the Italian decision, he submitted that this was of no assistance for a number of reasons. First, the translation provided was of poor quality, and the Court’s reasoning was difficult to follow. Secondly, the decision pre-dated *Budějovický Budvar*. Thirdly, the reasoning appeared to depend on the wording of the Italian provision which implemented Article 9. Fourthly, the reasoning appeared to be focussed on the earlier trade mark proprietor’s objection to the validity of the registration of the later trade mark, but it did follow that the same approach should be adopted with respect to objections to the use of that mark.
352. In my view these arguments are finely balanced. If this issue were central to the case, it would be necessary to obtain a ruling from the CJEU on the interpretation of Article 9. Since the case does not turn on this issue, however, I shall not refer a question to the CJEU. In the absence of a ruling from the CJEU, I have concluded that the steps taken by easyGroup on 12 April 2011 and 25 November 2011 were sufficient to stop time running, and hence to re-start the clock. Those steps amounted to serious, detailed and credible threats of infringement proceedings (and are relied upon by W3 as such). It is quite true that easyGroup did not follow through at that stage, but in my judgment it did enough to demonstrate to W3 that it strongly objected to W3’s use of the EasyRoommate trade mark. Given that conclusion, it is not necessary to consider whether the fact that W3 removed the disclaimer in April 2011 would on its own have been a material change in circumstances. Nor is it necessary to decide whether

easyGroup's actions in 2014 were sufficient, in the light of its earlier threats but failure to follow through, to re-start the clock again.

353. The second issue only arises if I am wrong on the first point. easyGroup contends that, even if W3 has a defence of statutory acquiescence in relation to the EasyRoommate trade mark, that defence only extends to use of the trade mark as registered, bearing in mind that the registration is not for the word but for a stylised word. Accordingly, easyGroup contends that the defence cannot extend to use of the Roof Logo. In support of this contention, counsel for easyGroup pointed out that the operative part of Article 9(1) referred to "use of the later trade mark", referring back to "a later trade mark registered in that Member State". Furthermore, he submitted that the reasoning which required a separate assessment to be made of easyGroup's infringement claims with respect to the Roof Logo was also applicable here. Finally, he submitted that Article 9 could not entitle W3 to use EasyRoommate in whatever way it liked, such as in Cooper Black font printed in white on orange. Counsel for W3 had little answer to these submissions, and I accept them.
354. By way of a postscript to this issue, it is worth recording that W3 pleaded a defence of equitable acquiescence or laches under English law, but abandoned this defence at trial (see on this point *Marussia Communications Ireland Ltd v Manor Grand Prix Racing Ltd* [2016] EWHC 809 (Ch), [2016] Bus LR 808 at [90]-[96]).

#### Limitation

355. W3 has pleaded limitation under section 2 of the Limitation Act 1980 as a defence to any claims for infringement in respect of acts committed more than six years before the date of the counterclaim, that is to say, prior to 15 September 2009. easyGroup accepts that it is time barred under English law in respect of any acts committed in the UK prior to that date. easyGroup contends, however, that W3 cannot rely upon any limitation defence in respect of acts committed in any of the other relevant Member States since W3 has neither pleaded nor proved any equivalent limitation defence in those jurisdictions. Although this does not arise if I am right in my conclusions on infringement, I shall address it in case I am wrong.
356. Article 97 of the Regulation provided:
- "1. The Community trade mark courts shall apply the provisions of this Regulation.
  2. On all matters not covered by this Regulation, a trade mark court shall apply its national law, including its private international law.
  3. Unless otherwise provided in this Regulation, a Community trade mark court shall apply the rules of procedure governing the same type of action relating to a national trade mark in the Member State where it has its seat."
357. Article 101 of Regulation 207/2009 was in the same terms (apart from a minor change to the last few words of paragraph 3), but Article 101(2) was amended by Regulation 2015/2424 to read "On all trade mark matters not covered by this Regulation, the

relevant EU trade mark court shall apply the applicable national law”. The amended provisions are now found in Article 129 of Regulation 2017/1001.

358. As counsel for easyGroup submitted, it does not appear that the amendment makes any difference for present purposes, since the applicable law was and is governed by European Parliament and Council Regulation 864/2007/EC of 11 July 2007 on the law applicable to non-contractual obligations (“the Rome II Regulation”).

359. Article 8(2) of the Rome II Regulation provides:

“In the case of a non-contractual obligation arising from an infringement of a unitary Community intellectual property right, the law applicable shall, for any question that is not governed by the relevant Community instrument, be the law of the country in which the act of infringement was committed.”

360. Article 15(h) of the Rome II Regulation provides:

“The law applicable to non-contractual obligations under this Regulation shall govern in particular:

...

(h) the manner in which an obligation may be extinguished and rules of prescription and limitation, including rules relating to the commencement, interruption and suspension of a period of prescription or limitation.”

361. As counsel for easyGroup submitted, it follows that the relevant law of limitation in respect of the acts complained of by easyGroup is that of the country where the act of infringement took place, i.e. the Member State in which each European Equivalent has been used. As a matter of English procedure, the burden lies on a party relying upon a limitation defence arising under foreign law to plead and prove the relevant foreign law.

362. Counsel for W3 submitted that it should be open to W3 to plead and prove limitation defences under foreign law upon any inquiry as to damages or account of profits. I do not accept this. As counsel for easyGroup pointed out, W3 did plead a limitation defence under Portuguese law (together with numerous other points under the laws of Austria, Belgium, Germany, Ireland, Italy, the Netherlands, Portugal and Spain) in its Amended Reply and Defence to Counterclaim, but deleted that plea when it re-amended that statement of case. In those circumstances it would be too late for W3 to raise limitation defences under foreign law on the inquiry or account.

### Passing off

363. Counsel for easyGroup sensibly conceded in his closing submissions that it was unlikely that its claim for passing off added anything to its claims for trade mark infringement. In this regard, it is worth noting that the relevant dates of assessment are the same, because the principle that the assessment should be made as at the date that the conduct complained of commenced is essentially the same: see *Cadbury-*

*Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] 1 WLR 193 at 204 (Lord Scarman). It follows that the claim for passing off must be dismissed.

Validity of easyGroup's EU trade marks other than EASY and EASYJET

364. W3 challenges the validity of these trade marks purely by way of a squeeze. W3's primary case is that there is no infringement of the trade marks assessed at the relevant dates because of the differences between them and the signs complained of. If, however, the Court were to conclude that there was a relevant conflict, W3 contends that easyGroup's trade marks are invalid because (a) they were filed after the date of first use of the EasyRoommate sign and (b) as at the relevant filing dates, the use of the EasyRoommate sign had generated an actionable goodwill such that (c) as at the filing dates the use of the trade marks could have been prevented by virtue of an action for passing off.

365. The relevant dates of assessment (i.e. the application dates) are as follows:

easyHotel	21 September 2000
	9 November 2001
EASYGROUP	4 March 2002
EASY.COM	20 August 2002
EASYOFFICE	18 October 2002
	6 March 2003
	24 May 2004

366. Since I have concluded that easyGroup's infringement claims fail, the squeeze does not arise even on W3's case (easyGroup contends that there is no squeeze anyway for reasons that it is unnecessary to go into). In case this matter goes further, however, there are three issues I should deal with. The first is whether any substantial goodwill attached to the EasyRoommate sign at the relevant dates. (If substantial goodwill did subsist, no issue is raised as to whether it was "of more than mere local significance".) The second issue is whether it is necessary, as a matter of law, for W3 to show that it is the now owner of such goodwill. The third issue is whether, if that is necessary, W3 has established ownership of the goodwill as a matter of fact. For reasons that will appear, the third issue depends in part upon New York law, which is also a question of fact.

*Did goodwill attach to EasyRoommate at the relevant dates?*

367. Counsel for easyGroup submitted that W3 had not established that substantial goodwill subsisted at the relevant dates. In my judgment there was a modest, but nevertheless just sufficiently substantial, goodwill by 21 September 2000. By that date there were 109 registered users of the UK website, and there would have been

many more visitors to it than that. Although there had been no UK advertising or promotion by then, I do not consider that fatal. Even if the goodwill was insufficient by 21 September 2000, I have no hesitation in concluding there was a sufficient goodwill by 9 November 2001, by which time the site had considerably more registered users and was generating revenue.

*Must W3 show that it owned the goodwill?*

368. W3's attack on the validity of easyGroup's EU trade marks is brought under what was Article 52(1)(c) of the Regulation, then Article 53(1)(c) of Regulation 207/2009 and now Article 60(1)(c) of Regulation 2017/1001, which provides that an EU trade mark "shall be declared invalid ... on the basis of a counterclaim in infringement proceedings ... where there is an earlier right as referred to in Article 8(4) and the conditions set out in that paragraph are fulfilled". Article 8(4) is set out in paragraph 148 above.
369. easyGroup contends that W3 must show both that it is now the proprietor of the non-registered trade mark or sign in question and that rights to that sign were acquired prior to the application dates set out above. Furthermore, given that the rights relied upon are those conferred by ownership of the goodwill necessary to found a claim for passing off, easyGroup contends that it follows that W3 must show that it now owns the goodwill which is relied upon as having existed at those dates. W3 accepts that it must establish that goodwill sufficient to found a claim for passing off existed at those dates, but contends that it is not necessary for it to show that it now owns that goodwill.
370. This raises an issue of construction of the Regulation. I was not referred to any authorities or commentaries on this question, and accordingly I must approach it as a matter of first impression.
371. Counsel for easyGroup submitted that Article 52(1)(c) required the party bringing the counterclaim to show "the conditions set out in" paragraph 8(4) "are fulfilled", and that one of those conditions was that it was the proprietor of the trade mark or sign. Furthermore, he submitted that, if the party bringing the counterclaim did not have to show that it was the proprietor of the trade mark or sign, but could rely upon a trade mark or sign owned by a third party, it would be easy for such a party to evade the restrictions on counterclaims imposed by Article 52(4) (set out in paragraph 148 above) and Article 53(2) (corresponding to Article 9(2) of the Directive set out in paragraph 339 above).
372. Counsel for W3 submitted that W3's interpretation was supported by Article 55(1)(b) (now Article 63(1)(b)) read together with Article 42(1)(c) (now Article 46(1)), which provided:

*"Article 55*

**Application for revocation or for a declaration of invalidity**

1. An application for revocation of the rights of the proprietor of a Community trade mark or for a declaration that the trade mark is invalid may be submitted to the Office:



...

- (b) where Article 52(1) applies, by the persons referred to in Article 42 (1);

...

#### *Article 42*

### **Opposition**

1. Within a period of three months following the publication of a Community trade mark application, notice of opposition to registration of the trade mark may be given on the grounds that it may not be registered under Article 8:

...

- (c) by the proprietors of earlier marks or signs referred to in Article 8 (4) and by persons authorized under the relevant national law to exercise these rights.”

373. Counsel for W3 pointed out that these provisions of the Regulation explicitly restricted the persons who could bring an opposition or a declaration of invalidity in the Office, but that there was no equivalent restriction on the persons who could bring a counterclaim for infringement proceedings. He argued that there were good reasons for this. First, there was a practical concern to limit the number of oppositions and cancellation actions which could be filed at the Office. Secondly, a person faced with a claim for infringement should be able to invalidate the trade mark in suit by showing that it conflicted with an earlier right even if it was not the proprietor of that right.

374. In my judgment easyGroup is correct on this point. I consider that the natural interpretation of Article 52(1)(c) is that all the conditions set out in Article 8(4) must be satisfied, one of which is that the party bringing the counterclaim is the proprietor of the trade mark or sign i.e. the proprietor of the relevant rights. Moreover, Articles 52(4) and 53(2) support this interpretation. W3’s argument reads too much into a minor difference in the drafting of the provisions. Moreover, I disagree that there is any relevant policy difference. If a defendant to an infringement claim is to be permitted to rely upon another person’s rights to invalidate the trade mark by way of counterclaim, why should it not be able to pre-empt the infringement claim by an opposition or cancellation action in the Office?

#### *Does W3 own the goodwill?*

375. There is no dispute that the company responsible for carrying on the EasyRoommate business in the EU and therefore the entity to which ownership of all goodwill generated under English law accrued was:

- i) DMISI from commencement of the UK business in August 2000 to March or April 2003;

- ii) DMISL from March or April 2003 to October 2006; and
  - iii) W3 from 2006 to the present.
376. W3 relies upon the following agreements to substantiate its claim that it now owns (a) the goodwill which accrued to DMISI prior to March or April 2003 (“the pre-2003 goodwill”) and (b) the goodwill which accrued to DMISL between March or April 2003 and October 2006 (“the pre-2006 goodwill”):
- i) a written agreement between DMISI and DMISL made in 2003 which cannot now be found;
  - ii) a Purchase and Sale Agreement (software) dated 31 October 2006 between DMISL and W3 (“the Software Agreement”);
  - iii) a Confirmatory Assignment of Trade Mark, Goodwill and Related Rights executed by Mr Pons, DMISL and W3 on about 10 September 2015 (“the 2015 Confirmatory Assignment”); and
  - iv) a Confirmatory Deed of Assignment from DMISI to W3 dated 25 September 2017 (“the 2017 Confirmatory Assignment”).

(Another purchase and sale agreement between Mr Pons and W3 dated 31 October 2006 concerning domain names was not in the end relied upon by W3.)

377. In the case of the pre-2003 goodwill, W3 relies upon two routes of title to the goodwill. The first route consists of the assignment from DMISI to DMISL in 2003 followed by an assignment from DMISL to W3 in either 2006 or 2015. The second route consists of the 2017 Confirmatory Assignment. W3 also relies upon the assignments from DMISL to W3 in 2006 and 2015 as founding its title to the pre-2006 goodwill. easyGroup contends that W3’s chain of title breaks down at several points.
378. *Was there a written agreement in 2003?* W3 contends DMISI and DMISL entered into a written agreement in 2003 pursuant to which DMISI transferred all the assets of the EasyRoommate business to DMISL. W3 has searched for copies of the agreement, but none has been found. easyGroup contends that W3 has not established that any such agreement was entered into. There is no dispute that the burden lies on W3 on this issue, or that the standard of proof is the balance of probabilities.
379. The witnesses who gave evidence on this issue were Mr Pons and Mr Badey. Mr Pons accepted that that it was possible that in all of the corporate restructuring that went on he did not complete all the necessary formalities. He accepted that they probably did not do agreements for everything. What mattered to him was that he had control of the business and he was the one who had the right to carry out the business. In those early days, they were focused on how they were going to pay the rent at the end of the month and not necessarily always organising the proper paper trail. Mr Pons could not remember the 2003 agreement specifically and did not recall signing it.
380. Mr Badey recalled seeing a written agreement which transferred all of DMISI’s assets to DMISL in DMISI’s office in White Plains, but he could not remember the terms of

the agreement. Furthermore, he was unclear as to who had drafted the agreement and when it was executed. On the other hand, he was clear about the purpose of the agreement:

“... we wanted the assets out of the Inc because of the double taxation problems. We made up a plan to transfer them and we transferred the assets to the LLC.”

He went on to say that an assignment was needed because “if the IRS ever audited the transaction you would need documentation to effectuate that transfer”.

381. Counsel for easyGroup submitted that the only reliable source of information as to what was and was not transferred by DMISI to DMISL was the record of assets in the entities’ respective tax returns for 2003. Neither DMISI’s final return, nor DMISL’s first return, record any goodwill or other intangible assets on the balance sheet. Mr Badey said that in each case the column at 13A headed “intangible assets” is where assets such as intellectual property rights would be recorded.
382. In response to a question from me, Mr Badey said that, as a matter of generally accepted accounting principles in the USA, businesses did not then (and do not now) record the value of self-created intangible assets such as goodwill. It is not in dispute that this would explain why goodwill was not recorded in DMISI’s tax return.
383. Counsel for easyGroup submitted that, if DMISL acquired goodwill from DMISI, it would not have been self-created and therefore it would necessarily have been recorded as a valuable asset. Mr Badey confirmed that the form recorded all the cost basis of assets held by the LLC, by which he meant what the LLC paid for the assets. Accordingly, counsel submitted that there were only two explanations for the absence of any goodwill from this form: either there was no such purchase, or DMISL did not declare it to the US government. Mr Pons said that he had not lied to the tax office, and it should be assumed that Mr Badey did not do so either. Therefore the probability was that there had been no transfer of any goodwill, whatever else might or might not have been transferred.
384. Counsel for W3 submitted that this point was not open to easyGroup because it had not been put to Mr Badey in cross-examination. There could be alternative explanations for the absence of any goodwill or other intangible assets from the DMISL tax return, such as that no value was ascribed to them at the time of the transfer. I agree with this.
385. I have concluded that I accept Mr Badey’s evidence and that his evidence is sufficient to establish on the balance of probabilities that an agreement was executed in 2003 which transferred all of DMISI’s assets to DMISL.
386. *Did the Software Agreement assign goodwill from DMISL to W3?* The Software Agreement is governed by the law of the State of New York, but no evidence as to the New York law of contractual interpretation was adduced by either side and therefore it is common ground that the Court should assume that the relevant principles are the same as in English law. The Software Agreement says that DMISL is a limited liability company “organized under the laws of New York”, but it is common ground that that was a mistake.

387. Clause 1.1 of the Software Agreement provides:

“[W3] agrees to purchase from [DMISL], and [DMISL] agrees to sell, convey, transfer, assign and deliver, or cause to be sold, conveyed, transferred, assigned and delivered, to [W3] at the Closing, free and clear of all liens, all of [DMISL]'s right, title and interest in and to the Software for use in the Territory (the ‘**Purchased Assets**’).”

388. The terms Software and Territory are defined in the first recital as follows:

“the software used to operate EasyRoommate and Vivastreet internet businesses (the ‘**Software**’) in areas of the world outside of the United States and Canada (the ‘**Territory**’).”

389. W3 contends that, given the exclusively online nature of the EasyRoommate business, sale of the Software used to operate it – which would include the database of advertisements, web pages and subscribers – was tantamount to sale of the business. Accordingly, W3 contends that the Software Agreement transferred the EasyRoommate business outside of North America, including the goodwill, from DMISL to W3.

390. I am unable to accept this contention. I have no difficulty in accepting that the Software Agreement transferred all rights to the Software outside North America from DMISL to W3, and that the Software should be broadly interpreted. But the Software Agreement did not transfer anything else. It did not transfer the whole business, and it did not transfer the goodwill.

391. *Did the 2015 Confirmatory Assignment assign goodwill from DMISL to W3?* easyGroup contends that the 2015 Confirmatory Assignment is ineffective for two reasons.

392. The first is that DMISL effectively ceased to exist on 1 June 2007 when its certificate of formation was cancelled for failure to pay taxes. (It was revived on 20 October 2017 once it had made good its defaults. Although that post-dates the 2015 Confirmatory Assignment, it is not contended that DMISL had no capacity to enter into the 2015 Confirmatory Assignment.) Accordingly, easyGroup contends that DMISL abandoned the EasyRoommate business then and any goodwill was extinguished.

393. In *Ultraframe (UK) Ltd v Fielding* [2005] EWHC 1638 (Ch) Lewison J (as he then was) said:

“1877. It is clear that, as a matter of law, goodwill can be abandoned. A common case in which abandonment is held to have taken place is where a business is discontinued, with no prospect of restarting, and its assets are broken up and sold: *Pink v. Sharwood* (1913) 30 RPC 725. Mr Purvis submitted that goodwill cannot be abandoned unless the person alleged to have abandoned it knew that he had it and intended to abandon it. However, the requirement of an intention to abandon was

rejected in *Norman Kark Publications Ltd v. Odhams Press Ltd* [1962] RPC 163. Mr Wadlow says in his book *The Law of Passing Off* (3rd ed. para. 3–178):”

‘The better view is that if a business is deliberately abandoned in circumstances which are inconsistent with its ever being recommenced then the goodwill in it is destroyed unless contemporaneously assigned to a new owner.’

1878. I agree. In my judgment when QCL went into liquidation, without any attempt being made to sell any of its assets (still less sell the business and goodwill as a going concern), its goodwill was destroyed. In *Pink v. Sharwood* Eve J also said that it was impossible for the claimant to obtain an injunction restraining the sale by another manufacturer of his goods so as to lead to the belief that they were the goods of someone who in fact had no goods on the market; and had had no goods on the market for some years. In my judgment this also applies to the present case.”
394. Counsel for W3 submitted that in the present case there was no abandonment of goodwill in the EasyRoommate business. The business was not discontinued upon the cancellation of the certificate of formation of DMISL. On the contrary, the EasyRoommate business continued to be carried on in materially the same manner from the point of view of the provision of services to its customers. I accept this submission.
395. The second reason depends on the interpretation of the 2015 Confirmatory Assignment, which is governed by English law. Clause 1 provides:
- “Each of [Mr Pons] and [DMISL] hereby confirms their respective earlier assignments (and to the extent such intended assignments may have been defective, hereby assigns) to [W3] of all their respective property, rights, interests, claims and liberties in, and in relation to, the Trademark and the Business ... ”
396. Counsel for easyGroup submitted that the reassignment went no further than what was purportedly, but defectively, assigned before in 2006. Since the 2006 assignments did not purport to assign any goodwill for the reasons set out above, it followed that the 2015 Confirmatory Assignment did not assign any goodwill either.
397. I do not accept this submission. The 2015 Confirmatory Assignment is plainly intended to make good any defect in, including any omission from, the 2006 assignments. If I am right in concluding that the goodwill in the EasyRoommate business was omitted from those assignments, the 2015 Confirmatory Assignment was effective to assign it to W3.
398. *Did the 2017 Confirmatory Assignment assign goodwill from DMISI to W3?* If I am right in the conclusions reached above, then this question does not arise, but since it

involves New York law, I must make the necessary findings. easyGroup contends that the 2017 Confirmatory Assignment is ineffective for two reasons.

399. The first is that DMISI was (in Mr Badey's words) "liquidated and formally closed" on 31 October 2003 and dissolved on 10 March 2005. Accordingly, easyGroup contends that DMISI abandoned any goodwill in the EasyRoommate business. W3 again ripostes that there was no abandonment of goodwill: the business was carried on by DMISL. I again agree with W3.
400. The second reason is that, by 2017, it was too late for DMISI to assign any goodwill it had owned at the time of its dissolution.
401. The New York law experts were agreed that:
- i) pursuant to section 1006(a) of the Business Corporation Law of New York, "a dissolved corporation may continue to function for the purpose of winding up its affairs in the same manner as if the dissolution had not taken place";
  - ii) any actions taken by a dissolved corporation must relate to the winding up of the corporation, and no new business can be carried out; and
  - iii) any post-dissolution transaction for the purposes of winding up must take place within a "reasonable time".
402. easyGroup contends that the 2017 Confirmatory Assignment did not relate to the winding up of DMISI, but rather amounted to new business. DMISI had been finally wound up in 2003. Moreover, W3 did not exist in 2003 or 2005. I do not accept this argument. If it assumed that there was no agreement in 2003, then DMISI retained goodwill after it was wound up and dissolved when it should have been assigned to DMISL. On that assumption, the 2017 Confirmatory Assignment was necessary to complete the winding up of DMISI. It is immaterial that W3 did not exist in 2003 or 2005, since it is the successor in title to DMISL which did exist.
403. easyGroup also contends that 12 years is not a reasonable time. As one might expect, the decisions of the New York courts show that what is a reasonable time depends on the circumstances of the case. Of the decisions cited by the experts, the most pertinent appears to me to be *Jennings v High Farms Corp* 28 AD 2d 693 (2<sup>nd</sup> Dept. 1967), in which the Appellate Division of the Supreme Court of the State of New York permitted a corporation which had been dissolved 16 years previously to convey a private road to a town as a public highway. In my judgment, in the circumstances of the present case 12 years is a reasonable time. Nothing had happened in the intervening period which made it unreasonable for DMISI to assign the goodwill. It would make little sense for DMISI to retain the goodwill despite being liquidated and dissolved.

#### Validity of W3's UK trade mark

404. W3's UK trade mark (see paragraph 90 above) is registered in respect of the following services in the following classes:

“Class 35: Database management; Provision of computerised advertising services; Provision of space on websites for advertising goods and services; Flatshare matching services; Advertising relating to flatshares, all being business services.

Class 36: Real Estate affairs; Arranging of accommodation (leasing, rental and permanent); Services for arranging accommodation; Apartment locating services for others; Real estate listing services.

Class 43: Accommodation services relating to flatshares; Arranging of accommodation; Arranging and matching services for accommodation location and flatshares, houseshares and other shared accommodation; consultancy relating to accommodation.”

405. easyGroup contends that the trade mark was registered in breach of sections 5(2)(b) and 5(3) of the 1994 Act and should be declared invalid pursuant to section 47(2)(a). easyGroup relies upon all of its EU trade marks in support of the attack under section 5(2)(b) and upon the EASY, EASY.COM (word and device), easyHotel, EASYGROUP and EASYJET trade marks in support of the attack under section 5(3). easyGroup also contends that the trade mark was registered in breach of section 5(4) of the 1994 Act and should be declared invalid pursuant to section 47(2)(b). In support of this contention it relies upon the same matters as its claim for passing off.
406. The issues raised by these claims are essentially the same issues as are raised by easyGroup’s infringement and passing off claims in relation to “EasyRoommate” except for the fact that the relevant date of assessment is 11 July 2008. Does this make a difference? In my judgment it does not, because I have concluded that easyGroup’s infringement claims fail even in respect of the Roof Logo as at June 2009. Both the extra year and the comparison with the Roof Logo operate to easyGroup’s advantage, and therefore easyGroup’s validity objections must be dismissed.

#### Revocation of W3’s trade mark

407. easyGroup claimed that W3’s trade mark should be revoked for non-use. At trial, W3 accepted that it had not used the trade mark in relation to all the services for which it is registered during the relevant period and that the specification should therefore be amended as follows:

~~“Class 35: Database management; Provision of computerised advertising services; Provision of space on websites for advertising goods and services; Flatshare matching services; Advertising relating to flatshares, all being business services.~~

~~Class 36: Real Estate affairs; Arranging of accommodation (leasing, rental and permanent); Services for arranging accommodation; Apartment locating services for others; Real estate listing services.~~

Class 43: Accommodation services relating to flatshares; ~~Arranging of accommodation~~; Arranging and matching services for accommodation location and flatshares, houseshares and other shared accommodation; ~~consultancy relating to accommodation.~~”

408. In the light of this concession, easyGroup did not pursue this part of its case any further.

### Threats

409. W3 claims that three letters sent to it on behalf of easyGroup constituted groundless threats:

- i) the letter from Clarke Willmott dated 12 April 2011 (paragraph 137 above);
- ii) the letter from Clarke Willmott dated 25 November 2011 enclosing draft Particulars of Claim (paragraph 140 above); and
- iii) the letter from Eversheds dated 12 September 2014 (paragraph 143 above).

410. There is no dispute that each of these letters constituted a threat of proceedings for trade mark infringement. The issues are as follows:

- i) Were the threats actionable?
- ii) Was W3 a person aggrieved by the threats?
- iii) Were the threats justified?

### *The law*

411. Section 21 of the 1994 Act provided at the relevant dates as follows:

“(1) Where a person threatens another with proceedings for infringement other than-

- (a) the application of the mark to the 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.

(2) The relief which may be applied for is any of the following-

- (a) a declaration that the threats are unjustifiable,
- (b) an injunction against the continuance of the threats,



- (c) damages in respect of any loss he has sustained by reason of the threats;

and the plaintiff is entitled to such relief unless the defendant shows that the acts in respect of which proceedings were threatened constitute (or if done would constitute) an infringement of the registered trade mark concerned.”

412. The rationale behind section 21(1), which creates a cause of action which is not dependent upon proof of malice, is to strike a balance between the legitimate interests of the trade mark proprietor in warning infringers and the rights of others not to be vexed by threats which the proprietor is unwilling to translate into actual proceedings. Hence, in broad terms, threats to persons who are the source of infringing goods and services are allowed, but threats to customers are not.
413. The question of what threat has been made in a particular communication is to be answered by reference to what a reasonable person in the position of the recipient of the communication, with knowledge of all the relevant circumstances, would have understood the person making the communication to have intended: see *Best Buy Co Inc v Worldwide Sales Corp Espana SL* [2011] EWCA Civ 618, [2011] Bus LR 1160 at [18] (Lord Neuberger of Abbotsbury MR).

#### *Assessment*

414. *Actionable threat.* The issue here is whether the threats extended beyond what is permissible under section 21(1)(c). The 12 April 2011 letter states on page 3:

“You are trading as EASYROOMMATE through your website at [www.easyroommate.co.uk](http://www.easyroommate.co.uk) (which redirects to [easyroommate.com](http://easyroommate.com)) (‘the Sign’). ... Your get-up is similar to easyGroup’s livery ... The Sign at the bottom of your home page is entirely in orange ... You are also operating in a similar field as some of the licensees of the easy Brand such as easyHotel, easyOffice and easyJet.

...

Our client is aware that members of the public are being confused and believe the services provided by you originate from it. ...

Our client is aware that your services are being advertised in the same space as the services of its licensees ... This clearly will cause even greater confusion especially considering that the Sign appears in orange.

We have advised easyGroup that it will succeed in challenging your use of ‘EasyRoommate’ under Article 9 of Council Regulation 207/2009 ... The use of your disclaimer is irrelevant when it comes to assessing trade mark infringement ... easyGroup can therefore seek appropriate relief, through the

Courts, including an order to restrain your use of the Sign ... You should be aware, in this context, that easyGroup spends significant sums of money around the world preventing third parties infringing its rights and will not hesitate to take further action against you should you not meet its demands.

easyGroup therefore requests that you sign and return the attached undertakings (see **Annex 7**) within 14 days of the date of this letter. If you do not do this, easyGroup will take whatever steps are necessary to protect its brand including but not limited to commencing proceedings against you ... ”

415. W3 does not contend that this passage in the letter on its own amounts to a threat falling outside section 21(1)(c). Rather, W3 relies upon this passage together with the following passage in the draft undertakings in Annex 7:

“In consideration of you agreeing not to bring proceedings against us in relation to the claims made in Clarke Willmott LLP’s letter of 12 April 2011 we will, whether by ourselves, our agents, officers or servants or howsoever otherwise:

1 not at any time in the future:

- (a) use or register the marks, EASYROOMMATE, EASY and/or any other mark that is either confusingly similar to those marks or incorporates the word EASY for any goods or services (‘the Marks’); and/or

... ”

416. In my judgment a reasonable person in the position of W3, with knowledge of all the relevant circumstances, would not have understood the letter dated 12 April 2011 as containing a threat of proceedings for trade mark infringement other than by the supply of services under the sign EASYROOMMATE. The reasonable reader of the letter would appreciate that the text on page 3 of the letter was threatening proceedings for trade mark infringement in respect of the supply of services under that sign. The reasonable reader would appreciate that undertaking 1(a) extended far beyond that. The undertaking extended to the mark EASY and any mark that incorporated the word EASY and it extended to any goods or services. The reasonable reader would not think that the immense breadth of the undertaking sought meant that easyGroup was threatening to bring a trade mark infringement claim of that breadth. On the contrary, the reasonable reader would appreciate that a claim of that breadth was an impossibility.
417. Turning to the letter dated 25 November 2011, W3 does not rely upon anything in the text of the letter itself, but upon the draft Particulars of Claim enclosed with it. This included the following passages:

“35. At a time presently unknown to the Claimant, but believed to be around 2002, the EasyRoommate site expanded so as to

offer flat and house sharing opportunities in Europe. In particular, internet visitors to the site have been and remain able to select the United Kingdom as a country, whereupon they are taken to page <http://uk.easyroommate.com/> ('the UK Website') which offers flat and house sharing opportunities in the United Kingdom. Such page is headed

...

38. In the premises, the Defendants are targeting the services offered through the UK Website as aforesaid at users in the United Kingdom.

40. By reason of the foregoing, the Defendants have used and continue to use the signs EasyRoommate/easyroommate/EASYROOMMATE (hereafter collectively 'EasyRoommate') for their business and services in the United Kingdom, and the services offered through that business are specifically directed at persons in the United Kingdom.

...

45. In the premises, the Defendants have used in the course of trade a sign where, because of its similarity to one or more of the Trade Marks and the identity or similarity of the services covered by such Trade Marks ... and those in respect of which such sign is used, there exists a likelihood of confusion.

...

AND THE CLAIMANT CLAIMS:

1. An injunction to restrain the Defendants, where acting by their directors, officers, servants, agents or otherwise howsoever, from doing the following acts or any of them in the course of trade in the United Kingdom:

1.1 trading under or by reference to the name 'EasyRoommate' or any other name or names colourably similar thereto;

1.2 trading or offering services under or by reference to names commencing 'Easy' and followed by another word or words appropriate to the services offered, so as to form a new word;

1.3 infringing Community Trade Marks..."

418. In my judgment a reasonable person in the position of W3, with knowledge of all the relevant circumstances, would not have understood the draft Particulars of Claim as containing a threat of proceedings for trade mark infringement other than by the supply of services under the sign EasyRoommate and variants thereof. The reasonable

reader of the letter would appreciate that paragraphs 35, 39, 40 and 45 threatened proceedings for trade mark infringement in respect of the supply of services under that sign. The reasonable reader would not think that the extent of the injunction sought in paragraph 1 of the prayer led to any different conclusion.

419. Turning finally to the letter dated 12 September 2014, this included the following passages at pages 2-3 and 4:

“2. Your infringing activities

You continue to offer property rental services in the UK, EC and elsewhere under the name ‘EasyRoommate’ and the device ...

These activities are primarily offered through the website at [www.easyroommate.com](http://www.easyroommate.com) (the ‘Website’). We are aware that you have registered numerous domain names which include ‘EasyRoommate’ including [www.easyroommate.co.uk](http://www.easyroommate.co.uk). ...

For the reasons explained below, offering those service in the course of your business under the name and/or device above (the ‘Infringing Signs’) infringes our client’s intellectual property rights. Action is required by you to avoid the need for legal proceedings.

...

3. Actions required

In order to avoid legal action, please sign and return to us a copy of the undertakings enclosed at **Annex 3** ...

...

We would like to clarify that our client has no intention of stopping you from operating a legitimate business provided that, in compliance with the requested undertakings, you operate under a name that is clearly different from the Infringing Signs and do not represent that your business is in any way connected to or endorsed by easyGroup.”

420. W3 does not contend that this passage in the letter on its own amounts to a threat falling outside section 21(1)(c). Rather, W3 relies upon this passage together with the following passage in the draft undertakings in Annex 3:

“In consideration of you refraining from issuing legal proceedings against us for trade mark infringement ... prior to the date hereof in respect of the matters complained about in the Letter but without prejudice to your rights against us in respect of any subsequent or other act by us, we hereby undertake and represent, whether acting ourselves or through our directors, officers, agents, employees, associated companies

or otherwise howsoever (and whether directly or indirectly) as follows:

- 1 with immediate effect to cease and desist from any and all acts of ... trade mark infringement and not now or at any time in the future (whether in the United Kingdom or elsewhere) to
  - (a) use in the course of business the Infringing Sign (including without limitation the Registered Trade Marks) (together the 'Easy Marks') or any name, device, logo indicia etc, that is similar to or which resembles or includes the Easy Marks including their phonetic equivalents) in any way or for any purpose without your prior consent or do anything which might amount to ... infringement of the Easy Marks including for the avoidance of doubt offering services under the Infringing Signs or any similar signs including the colour orange in combination with a Cooper Black font or similar;

...

- 2 at our expense cease all use of the domain name easyroommate.com and easyroommate.co.uk and procure the removal of all material in any medium whatsoever including but not limited to the Website which promotes our services under the Infringing Signs or any other name including words similar or identical to any of the Easy Marks.”

421. In my judgment a reasonable person in the position of W3, with knowledge of all the relevant circumstances, would not have understood the letter dated 12 September 2014 as containing a threat of proceedings for trade mark infringement other than by the supply of services by use of the sign EasyRoommate and variants thereof. The reasonable reader of the letter would appreciate that the text on pages 2-3 and 4 of the letter was threatening proceedings for trade mark infringement in respect of the supply of services under that sign. The reasonable reader would appreciate that undertaking 1(a) extended well beyond that. The undertaking extended to any name that was similar to the EASY trade marks and it extended to use in any way. The reasonable reader would not think that the immense breadth of the undertaking sought meant that easyGroup was threatening to bring a trade mark infringement claim of that breadth. On the contrary, the reasonable reader would appreciate that a claim of that breadth was an impossibility.

422. *Person aggrieved.* easyGroup contends that, even if it made threats which are actionable because they exceeded what was permissible under section 21(1), W3 is not a person aggrieved by such threats. easyGroup argues that it made no difference to W3 that, on this hypothesis, the threats exceeded what was permissible rather than

being confined to what was permissible. Having regard to the conclusion reached above, this issue does not arise. I prefer not to express any view in relation to it, since the issue is not a straightforward one, it was not argued in any detail and neither counsel cited any authorities or commentaries on the meaning of “person aggrieved”.

423. *Justification.* It follows from my conclusions with regard to easyGroup’s infringement claims that, if (contrary to my conclusion) easyGroup did make actionable threats, such threats were not justified.

Declaration pursuant to the inherent jurisdiction

424. In addition to its claim for groundless threats of proceedings for trade mark infringement, W3 seeks a declaration pursuant to the inherent jurisdiction of the Court that easyGroup has made groundless threats of passing off proceedings. It is common ground that the Court has jurisdiction to make such a declaration, and that whether the Court should do so in the exercise of its discretion depends primarily on whether making the declaration sought would serve a useful purpose. There is no dispute that easyGroup has threatened W3 with proceedings for passing off, and it follows from the conclusions I have already reached that the threats were groundless. Given that W3 has not succeeded in its claim for groundless threats of proceedings of trade mark infringement, however, I do not consider that it would serve a useful purpose to make a declaration in relation to the threats of passing off proceedings. In both cases, W3 must rest content with the conclusions in this judgment.

Summary of principal conclusions

425. For the reasons given above, I conclude that:
- i) the EASY trade mark was and is invalidly registered in relation to “advertising” and “temporary accommodation”;
  - ii) W3 has not infringed any of easyGroup’s EU trade marks by use of any of the signs complained of;
  - iii) W3 is not liable for passing off;
  - iv) W3’s UK trade mark is not invalid, but the specification of services must be restricted in the manner conceded by W3; and
  - v) easyGroup has not made actionable threats against W3.