



Neutral Citation Number: [2022] EWHC 901 (Ch)

Claim No: IL-2019-000050

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

Rolls Building
Fetter Lane
London, EC4A 1NL

13 April 2022

Before :

MRS JUSTICE BACON

Between :

EASYGROUP LIMITED

Claimant

- and -

(1) NUCLEI LIMITED

(2) PATHWAY IP SARL

**(a company incorporated under the laws of
Luxembourg)**

(3) REGUS GROUP LIMITED

(4) IWG PLC

(a company incorporated under the laws of Jersey)

Defendants

Simon Malynicz QC and Stephanie Wickenden (instructed by Stephenson Harwood LLP)
for the Claimant

Mark Vanhegan QC and Jaani Riordan (instructed by Mishcon de Reya LLP) for the
Defendants

Hearing dates: 7–10, 13–15 December 2021; 4 March 2022; 8 April 2022

Approved Judgment

I direct that no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

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MRS JUSTICE BACON:

Introduction

1. In these proceedings easyGroup Ltd (“**easyGroup**”) claims infringement by the Defendants of easyGroup’s UK and EU registered trade marks in the name EASYOFFICE, and the Defendants counterclaim for a declaration of invalidity and/or revocation of easyGroup’s marks.
2. The proceedings are the culmination of a 20-year dispute between easyGroup and one or more of the Defendants over the right to use the signs EASYOFFICE or EASYOFFICES in relation to the provision and brokerage of serviced office space and related services. The dispute has led to proceedings in the UKIPO and EUIPO, appeals to the High Court and the EUIPO Board of Appeal, and defamation proceedings in the High Court.
3. It is apparent that the dispute between the parties is not merely a commercial dispute, in which easyGroup accuses Nuclei of “stealing our brand”, but also has a significant personal element: Sir Stelios Haji-Ioannou, the founder of easyGroup, believes that he was betrayed by his former friend Mark Dixon, the founder and CEO of the Regus group (now called IWG), when Regus decided to acquire a minority shareholding in Nuclei in 2007 rather than pursuing a joint venture with easyGroup in the market for office space rental.
4. The dispute now before me has given rise to no less than 35 separate issues set out in the list of issues, plus sub-issues arising under several of those. I was addressed at the main hearing in December 2021 by Mr Malynicz QC and (on the *res judicata* issue) Ms Wickenden for easyGroup, and by Mr Vanhegan QC for the Defendants.
5. Two days after the end of the December hearing, the Chancellor of the High Court handed down judgment in the case of *easyGroup v Beauty Perfectionists* [2021] EWHC 3385 (Ch). During the course of January, I received further written submissions from both parties on the EU issues in light of that judgment. At a further hearing on 4 March 2022 to clarify some of the points made in those written submissions, I was addressed by Ms Wickenden for easyGroup and Mr Riordan for the Defendants. Further written submissions on the same issues were sent to me after that hearing in light of a new European Court judgment handed down on 16 March 2022.
6. Matters did not, unfortunately, stop there. After circulation of my draft judgment, I received written submissions from both sides, asking me to address a number of further points, putting forward opposing submissions as to the conclusions which they contended I should reach on those issues. In light of those representations, there was a further hearing on 8 April 2022, with submissions made by Mr Malynicz and Ms Wickenden for easyGroup and Mr Vanhegan for the Defendants.

The parties

7. The Claimant is a holding company established by Sir Stelios Haji-Ioannou in 2000 to be the owner and licensor of all IP rights in and to the various “easy” businesses founded by Sir Stelios, such as easyJet and easyCar. It has been described by Sir Stelios as being the company “which owns and manages the EASY family of brands”. The company was initially incorporated in August 2000 under the name Gregshot Ltd, and changed its name to easyGroup IP Licensing Ltd on 24 October 2000, before being renamed easyGroup Ltd on 22 May 2014.
8. On 5 November 2000 easyGroup entered into a brand consolidation agreement with a number of companies including easyJet plc, easyEverything Ltd, easyRentacar (UK) Ltd and easyGroup (UK) Ltd, under which those companies would transfer to easyGroup the interests that they held in the intellectual property rights derived from the “easy brand”, in return for which easyGroup would license the relevant rights back to each party. Prior to that agreement easyGroup (UK) Ltd was the company that was used to develop new business ideas and extend the “easy” brand into new sectors. Since the brand consolidation exercise easyGroup has been the applicant for any new trade mark registrations, and has been the holder of all of the registered and unregistered intellectual property rights exploited by easyGroup’s licensees.
9. The Defendant companies are (now) all companies within the IWG group. The first Defendant, “**Nuclei**”, is a UK business whose activity is the online advertising or brokerage of serviced office space and related services. It was set up by Jonathan Abrahams in late 1999, and acquired the domain name www.easyoffices.com in February 2000. The Defendants’ case is that Nuclei has traded as Easy Offices continuously since around March 2000.
10. The second Defendant, “**Pathway**”, formerly known as Regus No2 Sarl, used to be the intellectual property holding company for the IWG group. It was joined to these proceedings because it was the assignee of two UK trade marks in the name EASYOFFICE (referred to in these proceedings as the “**BAA marks**”), and it subsequently applied to invalidate easyGroup’s EASYOFFICE trade marks on the basis of one of those marks. The BAA marks were later revoked, and in a corporate restructuring in July 2019 all IWG group intellectual property was transferred to a Swiss company. Pathway therefore no longer holds any assets.
11. The third Defendant, “**Regus**”, is a UK holding company within the IWG group. It acquired the entire shareholding of Nuclei in September 2007. In May 2008 51% of the shareholding of Nuclei was transferred back to Mr Abrahams, leaving Regus with a 49% minority shareholding.
12. The fourth Defendant, “**IWG**”, is the ultimate parent company of the IWG group of companies, and is therefore the parent company of the first to third Defendants.

Witnesses

easyGroup's witnesses

13. easyGroup's principal witness was Sir Stelios, who is the founder, ultimate beneficial owner and director of easyGroup. He provided a witness statement for these proceedings, and also relied on a previous witness statement given in October 2009 for the purpose of his defamation claim against Mr Dixon and others. When cross-examined Sir Stelios was revealed to be a deeply unimpressive witness. He was argumentative, giving answers that were defensive to the point of implausibility, and repeatedly contradicted points set out in one or other of his witness statements. It was clear that he had a poor recollection of the events that formed the background to these proceedings. It also became evident that his most recent witness statement contained substantial material that (contrary to the requirements of Practice Direction 57AC) was not within Sir Stelios' personal knowledge and recollection, but was instead drafted by his lawyers, giving evidence of points on which Sir Stelios had no clear recollection whatsoever. In those circumstances I unfortunately have to conclude that I can place very little weight on his evidence save where it is corroborated by other evidence in the case, including contemporaneous documents.
14. Anthony Anderson was the marketing director for easyGroup (UK) Ltd until 2000, and since then has been engaged as a consultant by easyGroup and easyCar for various periods of time. His witness statement gave an account of the development of some of the early easyGroup brands, including the marketing activities used to promote easyJet (in particular), as well as his involvement in the establishment of the easyEverything internet café business (which in 2001 was rebranded as easyInternetCafé) and easyRentacar (now easyCar). His oral evidence was straightforward, but of very little relevance to the issues before me.
15. Gavin Richardson is a graphic designer who held senior designer roles for easyEverything, easyGroup (UK) Ltd and easyGroup between 1999 and 2011. His witness statement focused on the establishment of easyEverything in 1999, and its initial expansion and rebranding as easyInternetCafé, followed by the winding down of that business by 2007, the subsequent launch of easyOffice, and easyOffice's trade until he left the company in late 2011. Although most of his evidence was irrelevant to the issues in dispute, his oral evidence provided some helpful information as to the use of the easyOffice branding, particularly in relation to the partnership with Instant Offices. I consider that he was a reliable and patently honest witness, who did not attempt to give evidence on matters that were outside his knowledge or recollection.
16. Philip Jones was the IT director at easyRentacar and was later employed by easyGroup from 2001–2004. His evidence addressed the technology requirements of the easyInternetCafé business from September 2001 onwards. It was not relevant to the issues before me and the Defendants did not seek to cross-examine him.
17. In addition, easyGroup sought to rely by way of Civil Evidence Act notice on two witness statements made by Mark Smith, the former CEO of easyOffice Ltd, in EUIPO revocation proceedings brought by Pathway against EU509 in 2009, and

in opposition proceedings brought by easyGroup in 2008 and 2009 in relation to trade mark applications made by Nuclei. Those witness statements addressed the circumstances in which easyGroup first started to consider the serviced office industry as a potential venture, and the subsequent launch and development of the easyOffice business. The sole reason given for not calling Mr Smith as a witness was that he was no longer employed by easyGroup. That is a rather unsatisfactory reason for his non-attendance as a witness, particularly given that other easyGroup witnesses (Mr Richardson and Mr Jones) have likewise not been employed by the company or any related company for some years. In the event, however, the background information provided in Mr Smith’s witness statements was not materially disputed.

The Defendants’ witnesses

18. Jonathan Abrahams is the founder and managing director of Nuclei. His evidence addressed Nuclei’s use of the disputed signs, the circumstances in which Regus acquired Nuclei, and the history of Mr Abrahams’ dealings with easyGroup. He provided four witness statements in these proceedings, and also relied on his statement given in October 2009 for the purposes of the defamation proceedings. His oral evidence was measured and largely consistent, although he accepted that he did not have a good recollection of the historic correspondence between the parties. I consider that he was a generally reliable witness.
19. Timothy Regan has been the legal and commercial director of the Regus group since 1999, and the group Company Secretary since 2003. He is a director of numerous subsidiary and related companies within the group, and his responsibilities include overseeing the global trade mark portfolio for the group. He provided two witness statements in these proceedings, and also referred to a statement made in October 2009 for the purposes of the defamation proceedings, and (for completeness) a March 2010 statement made for the purposes of the BAA trade mark revocation proceedings brought by easyGroup against Pathway. His evidence was careful and measured, and he was in my view a reliable witness.
20. James Holland is an associate at the Defendants’ solicitors, Mishcon de Reya. He provided a short witness statement exhibiting and commenting on a report from Bishop IP investigations as to the extent to which the sign “EASY” was used by other UK businesses in the period between 1995–2001, financial statements for easyHotel in 2013–2014, and Google StreetView screenshots for the Croydon easyHotel building at various dates between 2012 and 2020. He was cross-examined briefly on (in particular) the instructions given to Bishop IP. I considered his evidence to be entirely straightforward and reliable.

The easyGroup trade marks

21. easyGroup is the registered proprietor of four trade marks which are at the heart of this dispute:

Number	Type	Mark (services)	Filing date
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UK 2,289,502 ("UK502")	UK word mark	EasyOffice	8 January 2002
UK 2,313,528A ("UK528A")	UK word and figurative marks (series)	EASYOFFICE easyOffice  	18 October 2002
EU 2,907,509 ("EU509")	EU word mark	EASYOFFICE	18 October 2002
EU 11,624,376 ("EU376")	EU figurative mark		4 March 2013

22. The specifications of the marks are as follows:

- i) UK502: computer advisory relating to computer software and hardware and its compatibility with telephony and broadband services (Class 42);
- ii) UK528A: hire of temporary office space; rental of meeting rooms; providing facilities for exhibitions and conferences; room rental for exhibitions (Class 43);
- iii) EU509: rental of offices, leasing of office space, letting of office space (Class 36) and hire of temporary office space; rental of meeting rooms providing facilities for exhibitions and conferences; room rental for exhibitions (Class 43);
- iv) EU376: advertising; business management; business administration; office functions; professional business consultancy; business management assistance services; business management consultancy; business information and business inquiries services; outsourcing services; office administration services; office management services; provision of serviced offices; rental of office machines and equipment; advisory, consultancy and information services relating to all the aforesaid services (Class 35); real estate affairs; real estate management services; leasing of real estate; rental of offices; rental of office space; rental of commercial property; advisory, consultancy and information services relating to all the aforementioned services (Class 36); and temporary accommodation; rental of meeting rooms; hotel services for the provision of facilities for exhibitions, conferences and seminars; providing facilities for exhibitions, seminars and conferences; room rental for exhibitions, seminars and conferences; hire of temporary office space; rental of office furniture; reservation services for temporary office space, meeting rooms, facilities for exhibitions, seminars and conferences, rooms for exhibitions, seminars and conferences; information, advisory and consultancy services for all the aforesaid services (Class 43).

Factual background

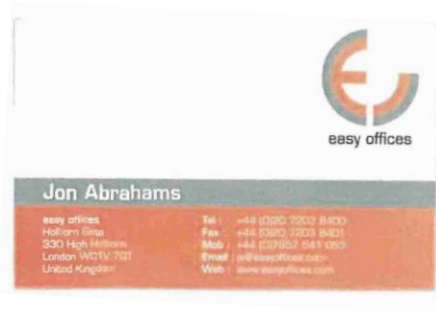
The Nuclei/Easy Offices business

23. In 1999, Mr Abrahams left his job as a Sales Manager at Regus to pursue a business venture which involved using the internet to broker the rental of serviced offices. Nuclei was incorporated on 29 November 1999, and on 9 February 2000 Mr Abrahams acquired the domain name www.easyoffices.com. Mr Abrahams started marketing the business in around May 2000. His evidence was that he chose the trading name Easy Offices because it was catchy and reflected the nature of his business.
24. On 5 September 2007 Regus acquired 100% of the shareholding of Nuclei. Following the acquisition, a representative of Regus was appointed to Nuclei's board. Since 2017 that has been Mr Regan. Concerns were, however, raised that the market would no longer perceive Nuclei as being independent from Regus. That led to 51% of the shareholding of Nuclei being transferred back to Mr Abrahams on 9 May 2008, albeit that those shares carried no rights to receive dividends and were subject to a repurchase option in Regus' favour.
25. In addition to using the EASYOFFICES sign generally, Nuclei has used a variety of figurative signs throughout the years. The original logo used by Nuclei was designed by Mr Abrahams himself:



26. Mr Abrahams then asked a graphic design company to design a more professional logo. They created an orange logo which was used from around November 2000 on business cards and other stationery, together with a footer with "easy offices" printed in white on an orange background:





27. Following correspondence with easyGroup in early 2001, which is discussed further below, Mr Abrahams commissioned a revised logo in a different colour. This was used from April 2001, including on the revised business card shown below:



28. Nuclei went on to use a succession of further logos as follows:

	January 2005 – May 2011
	May 2011 – February 2015
	February 2015 – November 2019
	November 2019 – Present

29. In August 2007, Pathway applied to register UK trade marks in word form (EASYOFFICES and EASYOFFICES.COM) and figurative form (corresponding to the 2005 logo). Those applications were followed in October 2008 by applications to register EU trade marks, again in word form (EASYOFFICES)

and figurative form (corresponding to the 2005 logo but in slightly different colours).

30. easyGroup opposed all of those registrations, and the opposition proceedings in both the UKIPO and the EUIPO are currently stayed pending the outcome of the present proceedings.

The easyOffice business

31. Following the launch of easyJet in 1995, Sir Stelios embarked upon various other business ventures that used the “easy” branding. The first of these were easyEverything (later renamed easyInternetcafé), which operated retail consumer internet cafes from June 1999; easyRentacar, which traded from April 2000; and easyValue, a price comparison website which was launched in November 2000. As explained by Mr Anderson, these businesses, like all subsequent “easy” businesses, shared a visual brand identity which was originally designed for easyJet in 1995 and which consisted of three elements: (i) the Cooper Black Font; (ii) lowercase “easy” plus a capitalised second word; and (iii) white lettering on a Pantone 021c orange background.
32. The idea for easyOffice appears to date back to around autumn 2002, with an easyGroup New Projects Update internal presentation dated 26 September 2002 which included easyOffice in a list of ten possible business ventures. The presentation indicated that easyGroup envisaged some form of partnership with Regus to set up a “no-frills” serviced office business, and suggested that there had been some initial discussions with Mr Dixon.
33. In early October 2002, there were internal discussions at easyGroup between Eddy Whatt, easyGroup’s IP Manager, and Sir Stelios about the position in relation to trade marks and domain names for various new projects, including easyOffice. Very shortly after those discussions, on 18 October 2002, easyGroup applied for the UK528A and EU509 marks. It also opposed the application for UK502 by an unrelated company, Logical Planet Ltd, which was settled by the acquisition of that mark by easyGroup on 23 October 2002. By 13 March 2003, easyGroup had also acquired the domain name www.easyoffice.co.uk.
34. easyGroup did not, however, take concrete steps to launch the easyOffice business until the summer of 2006, a time which coincided with the winding down of the easyInternetcafé business. Mr Richardson’s evidence was that easyOffice was “an innovation borne out of necessity” which served to re-purpose easyInternetcafé sites that had been occupied under leases with remaining terms. From June 2006 easyGroup began preparing the launch of easyOffice’s first location in refitted easyInternetcafé premises on High Street Kensington in London, which was partitioned into 35 small office rooms with a total of 99 workstations.
35. In March 2007 there were two meetings between Sir Stelios and Mr Dixon: at a social occasion in Monaco and a breakfast meeting at the Savoy hotel in London on 20 March 2007. Sir Stelios said that he hoped to partner with Regus on the easyOffice venture, and that he shared significant details about his proposed business model with Mr Dixon.

36. It is not necessary for me to make any findings as to Mr Dixon's motivations in deciding not to progress a joint venture with Sir Stelios, but to purchase Nuclei instead. Suffice it to say that Sir Stelios regarded that decision as a betrayal, and believes that Mr Dixon acquired Nuclei in order to frustrate Sir Stelios' own ambitions for the easyOffice business. The meetings between Sir Stelios and Mr Dixon, and subsequent media briefings by both Sir Stelios and Regus, also led to the defamation proceedings brought by Sir Stelios which are discussed briefly below.
37. easyOffice's High Street Kensington location opened on 14 November 2007 to a fanfare of publicity. That included a press release on both the easyOffice website and www.easy.com, which was also sent to a long list of media outlets. The launch was duly picked up in the media, including the Estates Gazette and the Sunday Times.
38. easyOffice Ltd was incorporated in June 2008, as a sister company to easyGroup, both being ultimately owned by easyGroup Holdings Limited. In August 2008 Mr Smith was appointed as the first the CEO of the company.
39. easyOffice was initially a popular and successful business: Mr Smith's evidence suggests that between 2007 and around March 2009 the High Street Kensington location was running at over 80% capacity. From 2009, easyOffice expanded into four further London locations (Camden, Mayfair, Canary Wharf, and Park Royal) and a location in Glasgow. Five further London locations followed (Hammersmith, Old Street, Wimbledon, Colindale, Borehamwood, and Brentford) as well as locations in Bristol and Manchester in 2010–2011.
40. By 2012, however, the tide had turned and customer numbers were decreasing. During one week in August 2012 there were just 25 transactions across all easyOffice branches, with occupancy rates at around 30% per day. The declining customer interest led to the closure of branches, and by February 2013 only the Wimbledon and Old Street locations were listed on the easyOffice website.
41. easyOffice Limited had been renamed Mega Office Limited in July 2011; in July 2012 a voluntary liquidator was appointed for the company, and the company was finally dissolved in December 2014. While the easyOffice trade marks remained in the hands of easyGroup, the extent to which those marks continued to be used by easyGroup is an important issue in dispute in these proceedings.

The Croydon easyOffice

42. On 28 June 2013, easyGroup purchased the freehold for a building at 22 Addiscombe Road, Croydon. Sir Stelios explained that this building had nine floors, the majority of which were used as an easyHotel. He said, however, that there was a floor that could not be used for hotel services, which was converted into an easyOffice.
43. It was not entirely clear from the evidence before me when the easyOffice in Croydon opened for business, or even where it was located within the Croydon building:

- i) In August 2013, the easyOffice website announced the opening of new office space in Croydon, and solicited emails of interest. In October 2013 easyOffice emailed customers at its Old Street location advising them that it intended to stop taking further bookings at that location at the end of October 2013 and inviting booking for easyOffice Croydon from 4 November 2013.
 - ii) However booking records disclosed by easyGroup showed that from December 2013 to early February 2014 the only bookings were by easyGroup employees, including a booking by Sir Stelios for 14 nights. In cross-examination, Sir Stelios accepted that these were probably test bookings. The first independent booking appears to have been on 19 February 2014.
 - iii) Sir Stelios was not, when cross-examined, able to remember which floor of the building easyOffice had used. An internal email dated 1 December 2014 referred to a client “on the ground floor” but also referenced the anticipated completion of refurbishments on the second floor. On the basis of that email, Mr Malynicz surmised that customers had used the ground floor of the building until December 2014. Whether or not that was the case, it was agreed that there had been a refurbishment of the second floor of the building during 2014, and that from December 2014 onwards the easyOffice space available for booking was on that refurbished second floor.
44. The extent of the easyOffice business at the Croydon location is discussed further below. easyGroup accepted that the Croydon easyOffice had closed by May 2016.

Third party agreements

45. In addition to providing serviced offices at the locations mentioned above, easyOffice also partnered with Instant Offices Ltd (“**Instant Offices**”) from around June 2007 until January 2019. Unfortunately the agreement between easyOffice and Instant Offices was not before me, and none of the witnesses were able to identify the terms of the arrangement. I will discuss further below the extent of the evidence on the nature of the arrangement and the revenue generated for easyOffice from that partnership.
46. In September 2019, easyGroup reached an agreement with Citibase and CBLH Ltd under which easyGroup licensed the names “easyHub” and “easyOffice” to Citibase for use in relation to serviced offices. Sir Stelios’ evidence was that he and Citibase agreed that Citibase would use the easyHub name rather than easyOffice, since Nuclei/Regus were “attacking” the easyOffice mark by (in particular) bidding for “easy office” in Google AdWords. The contemporaneous documents do not shed further light on the reason for this decision, but they do indicate that the decision to use easyHub for the Citibase venture had been made by around July 2018, with an email from Sir Stelios dated 13 July 2018 stating that “The new brand name for this business is easyHub.com”.

Previous disputes between the parties relating to easyGroup's trade marks

47. The events described above provide the factual backdrop to a long history of threatened and actual litigation between the parties as to easyGroup's trade marks, which is of considerable relevance to the issues in these proceedings. What follows is a summary of the main events prior to the commencement of the present proceedings.

2001–2003 correspondence and undertakings

48. On 28 February 2001 Denton Wilde Sapte wrote to Mr Abrahams on behalf of easyGroup (UK) Ltd complaining that a letterhead used by his business “incorporates some of the distinctive elements of our client's brand identity in that it uses the mark ‘easy offices’ which is written in white lettering against an orange background.” The letter stated that easyGroup was concerned that potential customers would be confused into believing that Easy Offices was connected with or authorised by easyGroup. The letter then stated:

“Our clients are anxious to resolve this matter without recourse to litigation and therefore request that you provide them with signed undertakings in the form attached. In any event our clients fully reserve their rights.”

49. The undertakings attached to that letter (the “**First Undertakings**”) were in the following form:

“We hereby undertake, whether by our directors, officers, servants, agents, or otherwise howsoever as follows:

1. forthwith to remove the present livery on our letterhead incorporating white characters printed on an orange background;
2. not hereafter to use any promotional material, letterheads or other material relating to our business which incorporates a livery with white characters on an orange background or any livery confusingly similar thereto;
3. forthwith to deliver up or obliterate upon oath all promotional material, letterheads and other material in our possession, custody or control that would offend against the foregoing undertakings.”

50. Nuclei did not respond. On 21 March 2001, Denton Wilde Sapte sent a further letter which stated:

“Despite our request to Easy Offices to change the livery of your letterhead, apparently, you have failed to do so. Furthermore, our clients have recently discovered that, first, the Easy Offices website at www.easyoffices.com features (like your letterhead) white lettering against an orange background and, secondly that you are promoting Easy Offices by way of advertising on FT.com, again using white lettering against an orange background.”

51. The letter requested that Mr Abrahams sign and return revised undertakings which were attached, which were said to “supersede the undertakings attached to our letter of 28 February.” These undertakings (the “**Second Undertakings**”) were much broader than those set out in the previous letter, requiring among other things that Mr Abrahams and Easy Offices should not trade under any name incorporating the word “easy”, and that they should procure the transfer of the domain name www.easyoffices.com to easyGroup. The Second Undertakings were expressed to be “[i]n consideration of you refraining from commencing proceedings against us for passing off.” easyGroup reserved the right to commence proceedings without further notice if the Second Undertakings were not given.
52. On 25 March 2001, Mr Abrahams responded by returning a signed copy of the First Undertakings. Despite the 21 March 2001 letter stating that the First Undertakings had been superseded, this response was apparently considered acceptable. So much is clear from a note of a telephone conversation between Mr Abrahams and Denton Wilde Sapte, apparently written around the end of March 2001, which recorded that Mr Abrahams “was happy that our client is willing to accept the original (NOT the revised) undertaking” and that he “hopes that he will ‘not have to hear from us again’.”
53. Matters did not, however, rest there. On 11 November 2002, Norton Rose wrote to Mr Abrahams on behalf of what is now easyGroup (and other related “easy” companies including easyJet, easyCar and easyInternetCafé), alleging passing off based on Mr Abrahams’ registration and use of the domain names www.easyoffices.com and www.easyvirtualoffices.com. They requested that Mr Abrahams and Easy Offices provide signed undertakings in the form attached to the letter, which required among other things that Mr Abrahams and Easy Offices should assign to easyGroup all internet domain names of which they were the registered owners or controllers and which contained the word EASY in combination with a letter, word or words. Again, this was expressed to be in consideration of easyGroup not instituting proceedings, and the letter again reserved the right to commence proceedings without further notice if the undertakings were not provided.
54. Mr Abrahams responded the following day rejecting the allegations and stating that he had already dealt with this matter a year ago with Denton Wilde Sapte who had been satisfied with his response. The only response from Norton Rose came more than six months later, on 2 June 2003, in a letter stating simply: “Our clients are not satisfied by your responses to the assertions made in our client’s letter of 11 November 2002. Our clients therefore reserve all their rights in this matter.”

The 2007 UK invalidity and revocation actions

55. As I have described above, Nuclei was acquired by Regus in 2007. On 6 July 2007, prior to the completion of the acquisition, McDermott Will & Emery wrote to easyGroup on behalf of Nuclei, asserting that easyGroup was passing off by its provision of offices under the easyOffice mark, and by using the website www.easyoffice.co.uk. Nuclei requested undertakings from easyGroup not to pass itself off as Easy Offices, and to assign the UK502 and UK528A trade marks

to Nuclei. It is common ground that the letter was written on the advice of Mr Regan, in anticipation of the Regus acquisition.

56. On 11 July 2007, easyGroup's solicitors responded denying passing off, and declined to provide the undertakings sought. Nuclei's response was to file invalidity and revocation actions in the UKIPO, on 22 August 2007, in relation to the UK502 and UK528A marks. The invalidity actions were brought on the grounds that Nuclei had an earlier unregistered right and that the easyGroup marks had been registered in bad faith. The revocation actions were brought on the grounds that easyGroup's use of the marks was misleading or liable to mislead the public as to trade origin.
57. Following further correspondence from Nuclei, easyGroup responded in a letter dated 4 October 2007 and filed counterstatements with the UKIPO on 16 October 2007. On 27 November 2007, Nuclei and easyGroup jointly requested the suspension of the ongoing proceedings until 4 April 2008 on the basis that they were "in negotiations". The UKIPO subsequently granted repeated extensions until 4 February 2010.
58. The culmination of those discussions was that the parties agreed in September 2009 that all of the 2007 invalidity and revocation actions were to be withdrawn, with no order for costs. The correspondence relating to that withdrawal is set out below in my discussion of the *res judicata* issue.

The 2008 defamation proceedings

59. The meetings between Sir Stelios and Mr Dixon in March 2007 and the subsequent dispute between easyGroup and Nuclei concerning the use of the easyOffice/Easy Offices signs resulted in briefings to the press by Sir Stelios and subsequently Regus, and a Financial Times article on 10 May 2008. Following that article Sir Stelios brought a defamation claim against Mr Dixon, Mr Regan and Regus in June 2008. The proceedings were settled in December 2009 shortly before trial, after Mr Dixon, Mr Regan and Regus offered an apology which was printed in the Financial Times.

The 2010 UK and EU invalidity actions

60. Meanwhile, during the due diligence process relating to the acquisition of Nuclei, Mr Regan also became aware of the BAA marks, which were two UK trade marks for EASYOFFICE owned by BAA (IP Holdco) Ltd. That company was part of the British Airports Authority group, and was apparently using the marks in relation to serviced offices at Gatwick Airport. Nuclei acquired the BAA Marks on 18 August 2009 and assigned them to Pathway on 4 September 2009, very shortly before the settlement of the 2007 UK invalidity and revocation actions.
61. On 21 September 2009, easyGroup applied to the UKIPO to revoke the BAA marks for non-use.
62. In August 2010, while that revocation action was still pending, Pathway filed invalidity applications in the UKIPO in respect of UK502 and UK528A, and in the EUIPO in respect of EU509. All three applications were based on one of the

BAA marks. Those actions were stayed in September and October 2010 by agreement, pending the outcome of the determination of the Claimant's application to revoke the BAA marks.

63. On 6 June 2011, the UKIPO revoked the BAA marks. Pathway appealed that decision to the High Court. The appeal was dismissed by Henry Carr J on 21 December 2018, [2018] EWHC 3068 (Ch). As is explained at §8 of the judgment, the lengthy delay in determining the appeal was due to the fact that the parties consented to an adjournment of the appeal pending the outcome of a reference to the CJEU in another case. Although judgment was handed down by the CJEU on 19 June 2012, it appears that Pathway did not thereafter seek to relist the appeal until prompted to do so by easyGroup in early 2017.
 64. On 29 May 2019, the UKIPO notified the parties that the UK invalidity actions had been “withdrawn” as a result of the revocation of the relevant BAA mark. On 20 February 2020, in the lead up to the strike-out application in these proceedings, Pathway's solicitors (who were by then Mishcon de Reya, who have acted for the Defendants in the present proceedings) contacted the UKIPO querying its 29 May 2019 letters on the basis that there had been no request to withdraw the invalidity actions, and contending that the invalidity actions should continue.
 65. easyGroup responded the next day with a letter to the UKIPO saying that the letters of 29 May 2019 had determined the proceedings in favour of easyGroup, and that Pathway no longer had a right of appeal. Pathway's solicitors replied on 24 February 2020 contending that the proceedings could not have been the subject of a final decision without giving them an opportunity to be heard, and requesting that the stay of the proceedings be lifted and that the UKIPO give further directions in the action. Further submissions by both parties followed, essentially repeating their respective positions.
 66. On 20 March 2020, the UKIPO responded, refusing to reopen the invalidation proceedings for the following reasons:
 - “1. The parties sought, or accepted, suspension of the invalidation proceedings pending the outcome of the revocation proceedings.
 2. This created a reasonable expectation that the parties accepted that the outcome of the revocation proceedings would be determinative of the invalidation proceedings....
- The decision to treat the invalidation applications as withdrawn consequent on the revocation of [the BAA mark] from June 2015 was not therefore irregular. The use of the word ‘withdrawn’ as opposed to ‘refused’ or ‘struck out’ is irrelevant because the registrar's intention was clear. The decision to treat the application as withdrawn was a final decision in the invalidation proceedings.”

67. As regards the invalidity challenge filed in the EUIPO in relation to EU509, on 28 January 2020 the EUIPO handed down a reasoned decision rejecting the challenge on the grounds of revocation of the relevant BAA mark. Pathway's

appeal of that decision was rejected by the First Board of Appeal of the EUIPO on 16 February 2021: *Pathway v easyGroup* (Case R 436/2020-1).

Opposition proceedings

68. Finally, I note that in August 2007 Nuclei filed applications for various UK trade marks for EASYOFFICES and EASYOFFICES.COM, and in October 2008 it also applied to register EU trade marks for EASYOFFICES. easyGroup opposed those applications in 2008 and 2009. All of those opposition proceedings were stayed pending the determination of the dispute regarding the BAA marks, and remain stayed pending the outcome of the present proceedings.

Procedural history

69. The present infringement claim was filed by easyGroup on 15 May 2019, listing only Nuclei as the Defendant. Nuclei then counterclaimed for a declaration that each of easyGroup's marks is and was invalidly registered, having regard to Nuclei's prior reputation and goodwill in the UK. In the alternative Nuclei sought revocation of the marks for non-use.
70. On 21 November 2019 easyGroup applied to strike out Nuclei's counterclaim for invalidity of the easyGroup UK trade marks and EU509 on the basis that they were an abuse of process, having regard to the 2007 and 2010 invalidity actions (or in the alternative to have that issue listed as a preliminary issue). easyGroup also sought the joinder of the second to fourth Defendants plus Mr Dixon, and sought permission to amend to plead a conspiracy to injure easyGroup by unlawful means.
71. On 10 March 2020 Nugee J ordered the joinder of the second to fourth Defendants and dismissed the strike out application. The applications for the trial of a preliminary issue and permission to amend the Particulars of Claim were not pursued.
72. Amended pleadings were subsequently filed in the course of 2020 and 2021, addressing in particular the position of the second to fourth Defendants. At that point Nuclei also added claims of invalidity on grounds of bad faith.

The issues

73. The parties were unable to agree on the way in which the numerous issues raised in these proceedings should be addressed by the court, with each of them setting out their own proposed pathway through the issues (and the interactions between the different issues). It seems to me that the most logical way to address the multiple and intertwined issues in this trial is as follows:
- i) **Brexit issues** – does the UK's departure from the EU affect the court's jurisdiction to determine issues relating to the EU trade marks in these proceedings?

- ii) **Res judicata** – are the Defendants barred from challenging the validity of the UK502, UK528A and EU509 marks, in light of the earlier challenges to the validity of those marks in 2007 (by Nuclei) and 2010 (by Pathway)?
 - iii) **Invalidity on grounds of Nuclei’s prior rights (relative grounds)** – were the easyGroup marks invalidly registered (subject to any point on acquiescence) because at the relevant filing dates their use was liable to be prevented as passing off in relation to Nuclei’s signs? That involves three subsidiary questions: (a) Had Nuclei acquired substantial goodwill and reputation in the sign EASYOFFICES prior to the filing date of the easyGroup marks? (b) Should that goodwill be disregarded as having been acquired by Nuclei itself passing off? (c) If the answer to those questions is “yes” and “no” respectively, is misrepresentation for the purposes of passing off established in relation to the easyGroup marks?
 - iv) **Invalidity on grounds of bad faith (absolute grounds)** – are the easyGroup marks invalid (again subject to any point on acquiescence) as having been registered in bad faith?
 - v) **Statutory acquiescence** – insofar as the easyGroup marks would otherwise be invalid on either relative or absolute grounds, did the Defendants acquiesce in the use of those marks?
 - vi) **Revocation for non-use** – should the easyGroup marks be revoked for non-use, and if so from what date?
 - vii) **Infringement and honest concurrent use** – insofar as the easyGroup marks are valid and not liable to be revoked for any period within the limitation period for this claim, did Nuclei infringe those marks, and can Nuclei rely on a defence of honest concurrent use?
 - viii) **Other defences to infringement** – can the Defendants rely on defences of non-use, consent, or laches/acquiescence/estoppel?
 - ix) **Joint tortfeasorship** – insofar as Nuclei is liable for infringement, are the other Defendants liable as joint tortfeasors?
74. Two preliminary points need to be made in relation to those issues. The first is that one part of issue (vi) can immediately be addressed, since it is not disputed that the UK502 mark (which as noted above was acquired by easyGroup from Logical Planet) was not ever used by easyGroup and should therefore be revoked for non-use. That trade mark is therefore irrelevant to these proceedings save for the purposes of background context, and it is therefore not necessary to consider any of the other issues in relation to that mark.
75. The second preliminary point is that although the parties recognised that numerous issues would be contingent upon my other findings, and so may not necessarily need to be determined, both sides effectively asked me to determine all of the issues, in the event that this case goes further. I have therefore sought to do so, although it follows from my conclusions that many of my comments are *obiter*.

Main legislative provisions

UK trade marks

76. The UK trade marks are governed by the Trade Marks Act 1994 (“TMA”). Sections 3 and 5 of the TMA set out the main grounds for refusal of registration of a trade mark. Of relevance for present purposes, s. 3(6) provides an absolute ground for refusal of registration where the application has been made in bad faith. Section 5 then sets out relative grounds for refusal of registration, including the situation where rights to an unregistered trade mark or other sign were acquired prior to the date of application for registration of the disputed trade mark, and by virtue of those rights the use of the disputed mark is liable to be prevented by the law of passing off: s. 5(4) and (4A).
77. Section 10 defines infringement of a registered trade mark. The provisions relied on in the present case are s. 10(1) (use of a sign that is identical with the trade mark, in relation to goods or services that are identical with those for which the trade mark is registered), s. 10(2)(a) (use of a sign that is identical with the trade mark, in relation to goods or services similar to those for which the trade mark is registered), and s. 10(2)(b) (use of a sign that is similar to the trade mark, in relation to goods or services identical with or similar to those for which the trade mark is registered).
78. Section 11A provides that the trade mark proprietor is entitled to prohibit use of a sign only to the extent that the registration of the trade mark is not liable to be revoked for non-use pursuant to s. 46(1)(a) or (b) at the date the action for infringement is brought. Section 46(1)(a) and (b) provide that a trade mark registration may be revoked either where it has not been put to genuine use in relation to the goods or services for which it was registered, within the period of five years following its registration, or where such use has been suspended for an uninterrupted period of five years, in either case where there are no proper reasons for non-use.
79. Section 47 sets out the grounds for invalidity of registration of a trade mark. For present purposes the material provisions are s. 47(1), which provides that a registration may be declared invalid where it was registered in breach of any of the provisions under s. 3, and s. 47(2), which provides that a registration may be declared invalid on the ground that there is an earlier right in relation to which s. 5(4) is satisfied.
80. Under s. 48(1), where the proprietor of an earlier trade mark or other earlier right has acquiesced for a continuous period of five years in the use of a registered trade mark in the UK, being aware of that use, it is no longer entitled to apply for a declaration of invalidity on the basis of that prior right.

EU trade marks

81. The equivalent provisions for EU trade marks have been set out in a succession of Regulations, with the most recent being Regulation 2017/1001 (“EUTMR”). Insofar as earlier versions of that Regulation are relevant to some of the issues in the case (in particular the assessment of validity based on Nuclei’s prior rights),

neither party has suggested that anything turns on the version of the Regulation that is used. For convenience, therefore, I will refer throughout this judgment to the terms of the EUTMR rather than its predecessors.

82. The main relevant provisions are Article 8 (relative grounds for refusal, including under Article 8(4) the prior use of an unregistered trade mark or other sign, which confers the right to prohibit the use of a subsequent trade mark), Article 9(2) (the right to prevent the use of signs that are identical or similar, in terms equivalent to those of s. 10 TMA), Articles 18(1) and 58(1) (revocation for non-use), Article 59 (absolute grounds for invalidity, including under Article 59(1)(b) where the application for the trade mark was made in bad faith), Article 60 (relative grounds for invalidity, including under Article 60(1)(c) “where there is an earlier right as referred to in Article 8(4) and the conditions set out in that paragraph are fulfilled”), and Article 61 (acquiescence as a bar to a declaration of invalidity).
83. In addition to these provisions, Article 60(4) provides that where a “proprietor” of a right referred to in subparagraph (1) or (2) has previously applied for a declaration that an EU trade mark is invalid or has 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 those rights which he could have invoked in support of his first application or counterclaim”.
84. Chapter 10 of the EUTMR is headed “Jurisdiction and Procedure in Legal Actions relating to EU Trade Marks”. It provides for the Member States to designate national courts which will have the function of EU trade mark courts under the EUTMR, and sets out the jurisdiction of those EU trade mark courts, including for infringement actions relating to EUTMs (Article 124) and counterclaims for revocation or for a declaration of invalidity (Article 128).
85. Article 129 then provides:
 - “1. The EU trade mark courts shall apply the provisions of this Regulation.
 2. On all trade mark matters not covered by this Regulation, the relevant EU trade mark court shall apply the applicable national law.
 3. Unless otherwise provided for in this Regulation, an EU 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 in which the court is located.”
86. Prior to the withdrawal of the UK from the EU, the effect of the jurisdictional rules set out in Chapter 10 of the EUTMR was that a judgment of an EU trade mark court was enforceable throughout the EU. The High Court of England and Wales (among others) was designated as an EU trade mark court.
87. The Trade Marks Amendment etc (EU Exit) Regulations 2019 (SI 2019 No. 269) inserted a new Schedule 2A into the TMA. Paragraph 1 of Schedule 2A provides that within the UK an EU trade mark which was registered before exit day (i.e. 31 December 2020 at 11pm) is treated on and after exit day as if the trade mark

had been registered in the UK in respect of the same goods or services as specified by the EU trade mark. The deemed UK trade mark is referred to as the “comparable trade mark (EU)” or more colloquially as the “UK Clone”.

88. Paragraph 20 of Schedule 2A sets out the relief that can be granted by a court in the UK previously designated as an EU trade mark court, in cases where on exit day proceedings are pending in relation to an existing EU trade mark. It provides, in particular, that:

“(2) Subject to paragraphs (3) and (4), the provisions contained or referred to in Chapter 10 of the EUTMR (with the exception of Articles 128(2), (4), (6) and (7) and 132) continue to apply to the pending proceedings as if the United Kingdom were still a Member State with effect from IP completion day.

(3) Where the pending proceedings involve a claim for infringement of an existing EUTM, without prejudice to any other relief by way of damages, accounts or otherwise available to the proprietor of the existing EUTM, the EU trade mark court may grant an injunction to prohibit unauthorised use of the comparable trade mark (EU) which derives from the existing EUTM.

(5) Where the pending proceedings involve a counterclaim for the revocation of, or a declaration of invalidity in relation to, an existing EUTM, the EU trade mark court may revoke the registration of the comparable trade mark (EU) which derives from the existing EUTM or declare the registration of comparable trade mark (EU) which derives from the existing EUTM to be invalid.”

89. Article 67 of the Withdrawal Agreement ([2019] OJ C384/1) provides:

“Jurisdiction, recognition and enforcement of judicial decisions, and related cooperation between central authorities

1. In the United Kingdom, as well as in the Member States in situations involving the United Kingdom, in respect of legal proceedings instituted before the end of the transition period ... the following acts or provisions shall apply:

...

(b) the provisions regarding jurisdiction of Regulation (EU) 2017/1001, ...”

Issue (i): Brexit issues

90. In *easyGroup v Beauty Perfectionists*, the Chancellor considered that the “clear intention” of Article 67 of the Withdrawal Agreement was that in proceedings pending before the end of the transition period, the High Court should retain the same jurisdiction under the EUTMR as it had before exit day (§50). He noted that although paragraph 20 of Schedule 2A to the TMA was not a model of clarity, on its proper construction paragraphs 20(3) and (4) conferred new powers in respect

of the new comparable trade mark (EU), but did not limit or derogate from the existing powers of the court as an EU trade mark court (§§52–53). Accordingly, his conclusion was that the High Court retained jurisdiction to grant a pan-EU injunction in proceedings which had been issued on 5 March 2020.

91. On the basis of the reasoning and conclusions in that judgment, the parties agreed that in this case, where the proceedings were likewise commenced long before exit day, I should proceed on the basis that this court retains the same jurisdiction to deal with both infringement and validity of the EU marks as it had prior to exit day. (The Defendants reserved their position on the correctness of that approach in case this matter comes before a higher court.)
92. It is also evident from the parties' submissions that no issue arises as to the comparable trade marks (EU) or "UK Clones" that came into existence after exit day. If the EU trade marks are infringed, then the UK Clones will also be infringed; if the EU trade marks are held invalid or revoked, then that will have a corresponding effect on the UK Clones: section 21A of Schedule 2A to the TMA. The only point, in that regard, on which the parties disagreed was whether the UK Clones might be treated differently from the EU trade marks in respect of revocation for non-use, if the evidence showed genuine use throughout the UK but not in the EU. Neither party, however, suggested that such a finding should be made on the facts, and in light of my factual findings below the point does not arise.
93. The remaining question was whether the UK's departure from the EU has an impact on the *substance* of the assessment of the issues arising in relation to the EU trade marks. In that regard, on one specific but important point, the parties were starkly divided. easyGroup contended that the counterclaims for invalidity based on Nuclei's prior rights should fail since they were no longer founded upon rights which subsist in the EU, and there was no transitional exception to this for pending proceedings. While this point was (rather surprisingly) not raised by easyGroup until its written submissions following the *easyGroup v Beauty Perfectionists* judgment, the Defendants did not take any pleading point; on the substance, however, they said that the argument was clearly wrong (indeed absurd) and that the court should simply apply the EUTMR as if the UK were still a Member State of the EU.
94. This point was the main issue addressed at the March hearing and in the further written submissions following that hearing. Ms Wickenden's starting point was that paragraph 20(2) of Schedule 2A and Article 67 of the Withdrawal Agreement preserve the status of the UK courts as EU trade mark courts as a matter of jurisdiction. As a matter of substance, however, the UK courts are required to follow EU law in interpreting and applying the EUTMR. That follows from Article 4(1) of the Withdrawal Agreement which provides that:

"The provisions of this Agreement and the provisions of Union law made applicable by this Agreement shall produce in respect of and in the United Kingdom the same legal effects as those which they provide within the Union and its Member States."

95. Accordingly, Ms Wickenden said, when the UK sits as an EU trade mark court in transitional cases, it is required to apply the EUTMR in the same way that it would be applied in the EU. I did not understand Mr Riordan to dispute that proposition. Rather, the dispute turned on the correct approach under EU law to UK prior rights relied on to challenge the validity of an EU trade mark, where the EU trade mark application was filed before exit day but the decision on validity was taken after exit day.
96. In that regard, Ms Wickenden said that any UK rights are no longer “earlier rights” for the purposes of Article 60(1)(c) and Article 8(4) EUTMR and may not therefore be relied upon for the purposes of a counterclaim in infringement proceedings brought under Article 60(1). Mr Riordan’s position was by contrast that the only relevant dates for assessment of the UK prior rights was the dates on which the applications for the disputed EU trade marks were filed.
97. The question is therefore the date(s) on which the validity of the earlier mark must subsist for the purposes of Article 60(1)(c) read together with Article 8(4) EUTMR.
98. Ms Wickenden initially relied on the position taken by the EUIPO, which is that earlier rights invoked in an opposition or cancellation have to be valid both at the time when the contested mark was filed, and when the decision on the opposition or cancellation is taken: see e.g. Decision of the Second Board of Appeal in case R 757/2020-2 “*Thank God It’s Monday*” (4 March 2021), §18. That approach was endorsed by the General Court in Case T-162/18 *Beko v EUIPO* EU:T:2019:87, §41.
99. Consistent with that position, points 11–12 of Communication No 2/20 of the Executive Director of the EUIPO of 10 September 2020 on the impact of the United Kingdom’s withdrawal from the EU on certain aspects of the practice of the EUIPO state that:
- “As from 1 January 2021, UK rights cease *ex lege* to be ‘earlier rights’ for the purposes of *inter partes* proceedings (opposition, EUTM invalidity, RCD invalidity). Further, the territory and public of the UK will no longer be relevant for the purposes of assessing a conflict between an earlier EU right and a later EUTM, EUTM application or RCD.
- Regardless of their procedural status at first instance, actions in *inter partes* proceedings based solely on UK rights that are still pending on 1 January 2021 will be dismissed for lack of valid basis. Each party will be ordered to pay their own costs.”
100. That Communication has been followed by the EUIPO Board of Appeal in numerous cases decided since 1 January 2021, including *Thank God It’s Monday* and, more recently, the Decision of the Second Board of Appeal in case R 836/2021-2 *Soft Construct v VeriSilicon* (11 January 2022).

101. However, in its judgment in Case T-598/18 *Grupo Textil Brownie v EUIPO* EU:T:2020:22, the General Court took a different view, at least in relation to opposition proceedings, commenting at §19 that:

“it has previously been held that, in order to assess whether there exists a genuine relative ground for opposition, it is appropriate to look at the time of filing of the application for an EU trade mark against which a notice of opposition has been filed on the basis of an earlier trade mark. It is therefore necessary to examine the various aspects of the earlier mark as they were at the time of filing of the application for an EU trade mark which is opposed by the earlier mark (judgment of 17 October 2018, *Golden Balls v EUIPO — Les Éditions P. Amaury (GOLDEN BALLS)*, T-8/17, not published, EU:T:2018:692, paragraph 76). The fact that the earlier trade mark could lose the status of a trade mark registered in a Member State, as referred to in Article 8(2)(a)(ii) of Regulation No 207/2009 (now Article 8(2)(a)(ii) of Regulation 2017/1001) and Article 42(3) of that regulation, at a time after the filing of the application for registration of the EU trade mark against which a notice of opposition has been filed on the basis of that earlier mark, in particular following the possible withdrawal of the Member State concerned from the European Union in accordance with Article 50 TEU without specific provision having been made in that respect in any agreement concluded under Article 50(2) TEU, is therefore, in principle, irrelevant to the outcome of the opposition.”

102. That position was followed by the General Court in Case T-467/20 *Industria de Diseño Textil (Inditex) v EUIPO* EU:T:2021:843:

“58. It should be noted that the existence of a relative ground for opposition must be assessed as at the time of filing of the application for registration of an EU trade mark against which a notice of opposition has been filed (see judgment of 30 January 2020, *Grupo Textil Brownie v EUIPO – The Guide Association (BROWNIE)*, T-598/18, EU:T:2020:22, paragraph 19 and the case-law cited).

59. The fact that the earlier trade mark could lose the status of a trade mark registered in a Member State at a time after the filing of the application for registration of the EU trade mark, in particular following the possible withdrawal of the Member State concerned from the European Union, is in principle irrelevant to the outcome of the opposition (see judgment of 23 September 2020, *Bauer Radio v EUIPO – Weinstein (MUSIKISS)*, T-421/18, EU:T:2020:433, paragraph 35 and the case-law cited).

60. In the present case, the only relevant date for the purposes of the examination of the opposition filed by the intervener under Article 41 of Regulation No 207/2009 is therefore 5 March 2010, the date on which the application for registration of the mark applied for was filed

and the date on which the United Kingdom was still a member of the European Union.

61. It follows that, in the present case, the withdrawal of the United Kingdom from the European Union has no bearing on the protection enjoyed by the international registration designating the European Union of the word mark LE DELIZIE ZARA, insofar as it had effects in, inter alia, the United Kingdom, with the result that it could validly form the basis of an opposition (judgment of 23 September 2020, *MUSIKISS*, T-421/18, EU:T:2020:433, paragraph 36).”

103. At the hearing on 4 March 2022, Ms Wickenden said that the *Inditex* judgment was not inconsistent with her position (and the position taken by the EUIPO), since it concerned a decision of the Board of Appeal taken during the transition period. She said that this did not exclude a different approach to decisions taken (as this judgment would be) on or after 1 January 2021.
104. On 16 March 2022, the General Court handed down judgment in Case T-281/21 *Nowhere Co v EUIPO* EU:T:2022:139, a case in which the disputed decision was taken by the Board of Appeal on 10 February 2021, dismissing Nowhere Co’s opposition to the disputed EU trade mark on the grounds, in particular, that Nowhere Co could no longer rely on the earlier non-registered UK trade marks after the UK’s withdrawal from the EU, pursuant to Article 8(4) EUTMR. Unlike the previous judgments of the General Court, therefore, this case concerned a decision that had been taken after exit day.
105. The General Court annulled the decision of the Board of Appeal. Repeating the position set out in *Grupo Textil Brownie* and *Inditex*, the Court held that the filing date of the application for registration of the mark against which an opposition has been brought is decisive for the purposes of identifying the applicable substantive law, and that the fact that the earlier mark could lose the status of a trade mark registered in a Member State as a result of the withdrawal of the Member State from the EU was in principle irrelevant to the outcome of the opposition (§§28–29). The Court continued at §31:

“Since the application for registration of the mark applied for was filed before the expiry of the transition period, indeed before the entry into force of the withdrawal agreement ... it must be held that the earlier non-registered trade marks were, in so far as they had been used in the course of trade in the United Kingdom, in principle, indeed capable of forming the basis of the opposition in the present case. As the applicant correctly submits, the Board of Appeal should therefore have taken them into account in its assessment, which it, however, refused to do for the sole reason that the transition period had expired at the time when the contested decision was adopted”.

106. The Court went on at §§33–46 to reject all of the arguments put forward by the EUIPO in support of its position.
107. In light of that judgment, Ms Wickenden accepted that for opposition proceedings in relation to an EU trade mark the only relevant date for assessing the subsistence

of an earlier mark is the date on which the application for the disputed EU trade mark is filed, and that the position taken by the EUIPO in that regard is therefore wrong.

108. Ms Wickenden said, however, that there was a difference between opposition proceedings and invalidity applications, relying on §40 of the *Nowhere Co* judgment. In that paragraph, the General Court commented that:

“as regards the various references to the provisions and the case-law relating to applications for a declaration of invalidity, the Court has already had occasion to point out that those provisions and that case-law are not necessarily relevant in the context of a case concerning opposition proceedings (see, to that effect, judgment of 6 October 2021, *Indo European Foods v EUIPO* ... T-342/20, under appeal, EU:T:2021:651, paragraph 22).”

109. I do not accept that submission. In the first place, the General Court conspicuously did not rule that a different approach was appropriate in the case of invalidity proceedings, but simply pointed out that the case-law on invalidity proceedings that had been cited by the EUIPO was not “necessarily” relevant to opposition proceedings.

110. Secondly, the case-law referred to at §22 of *Indo European Foods* was Case T-169/91 *Style & Taste v EUIPO – the Polo/Lauren Company* EU:T:2021:318, where a declaration of invalidity was sought on the basis of the predecessor to Article 60(2) EUTMR, which concerns the situation where the use of an EU trade mark “may be prohibited” pursuant to specific earlier rights, in that case an industrial property right. That provision is not relevant to these proceedings; in this case (as in *Nowhere Co*) the prior right relied on is a prior unregistered right giving rise to a ground for refusal of the trade mark under Article 8(4). The difference in the provisions is underscored by the fact that the Court in *Nowhere Co* expressly rejected, in the context of Article 8(4), the textual arguments (based on the use of the present tense) that were relied on by the Court in the *Polo* case in relation to its interpretation of Article 60(2).

111. Thirdly, there is in my judgment no principled basis on which a distinction can be drawn between the time at which earlier rights under Article 8(4) are to be assessed in opposition proceedings, and the time at which Article 8(4) rights are to be assessed for the purposes of invalidity applications made under Article 60(1)(c). As the wording of Article 60(1)(c) makes clear, the conditions for a declaration of invalidity under that provision mirror the conditions for opposition under Article 8(4).

112. Ms Wickenden suggested that there is a policy justification for imposing an additional requirement for continued subsistence of the earlier right in invalidity cases, on the grounds that a successful invalidity application results in depriving a trade mark owner of a property right. But if a trade mark is declared invalid pursuant to Article 60(1)(c), the mark is void *ab initio*: Article 62(2) EUTMR, and as a matter of policy there is no reason why a trade mark that would otherwise be invalid under Article 8(4) should be allowed to remain on the register following the exit of the UK from the EU, despite the fact that opposition

proceedings on the same grounds in relation to the same mark could be maintained following exit day.

113. Mr Riordan said that if I was against him on the interpretation of the European Court's case-law he would in the alternative contend that any requirement of a subsisting prior right as at the time of the decision on invalidity reflects the particular procedural rules applicable to proceedings in the EUIPO, which are not relevant to the present proceedings. On the basis of my conclusions above, however, I do not need to address that point.
114. My conclusion is therefore that the relevant dates for the assessment of Nuclei's prior rights for the purposes of the invalidity counterclaims are the filing dates of EU509 and EU376, both of which were when the UK was still a member of the EU. In the present proceedings, which were commenced before the end of the transition period, the assessment of the invalidity counterclaims is therefore unaffected by the UK's withdrawal from the EU.

Issue (ii): *res judicata*

115. Strictly speaking, this issue arises as easyGroup's defence to the counterclaim of invalidity. Logically, however, it seems sensible to consider this before the questions of substantive invalidity, because if easyGroup succeeds on this point then the Defendants' invalidity challenges in relation to the UK528A and EU509 marks will not get off the ground (the UK502 mark being irrelevant as explained above), and the invalidity case will therefore be confined to the EU376 mark.
116. easyGroup's case on *res judicata* was developed at considerable length in both written and oral submissions. In relation to the UK marks, that case came down essentially to the submission that the 2007 and 2010 invalidity proceedings each gave rise to a cause of action estoppel which prevents the Defendants from pursuing a validity challenge in these proceedings, or alternatively that the validity challenges are precluded by the principle in *Henderson v Henderson* or the more general procedural principle of abuse of process, in light of the earlier proceedings.
117. For the EU509 mark, easyGroup said that Article 60(4) EUTMR precluded an invalidity challenge in these proceedings, given that Pathway had challenged the EU509 mark in the 2010 EU invalidity action, and could have invoked the rights now relied upon in that 2010 action. As a fallback, if that Article was not engaged on the facts of the present case, easyGroup relied on the domestic principle of abuse of process.

Legal principles: domestic law

118. It was common ground between the parties that to qualify as *res judicata*, on whatever basis, the earlier proceedings relied upon have to result in a "decision" by a court or tribunal of competent jurisdiction, which is final and conclusive of the cause of action in question: see *Spencer, Bower and Handley: Res Judicata*, §1.01.

119. The leading recent authority on the various species of *res judicata* is the judgment of Lord Sumption in *Virgin Atlantic v Zodiac* [2013] UKSC 46, [2014] AC 1. Regarding the principle of cause of action estoppel, his starting point at §17 was as follows:

“... once a cause of action has been held to exist or not to exist, that outcome may not be challenged by either party in subsequent proceedings. This is ‘cause of action estoppel’. It is properly described as a form of estoppel precluding a party from challenging the same cause of action in subsequent proceedings.”

120. In the same paragraph, Lord Sumption listed various other types of *res judicata*, including issue estoppel, the principle in *Henderson v Henderson*, and finally “the more general procedural rule against abusive proceedings”.

121. At §22 Lord Sumption drew a distinction between two types of arguments that might be barred by cause of action estoppel:

“(1) Cause of action estoppel is absolute in relation to all points which had to be and were decided in order to establish the existence or non-existence of a cause of action. (2) Cause of action estoppel also bars the raising of points essential to the existence or non-existence of a cause of action which were not decided because they were not raised in the earlier proceedings, if they could with reasonable diligence and should in all the circumstances have been raised. ... If the relevant point was not raised, the bar will usually be absolute if it could with reasonable diligence and should in all the circumstances have been raised.”

122. As for the principle in *Henderson v Henderson* (1843) 3 Hare 100, Lord Sumption cited with approval (at §24) the classic statement of Lord Bingham in *Johnson v Gore-Wood* [2002] 2 AC 1, 31:

“*Henderson v Henderson* abuse of process, as now understood, although separate and distinct from cause of action estoppel and issue estoppel, has much in common with them. The underlying public interest is the same: that there should be finality in litigation and that a party should not be twice vexed in the same matter. This public interest is reinforced by the current emphasis on efficiency and economy in the conduct of litigation, in the interest of the parties and the public as a whole. The bringing of a claim or the raising of a defence in later proceedings may, without more, amount to abuse if the court is satisfied (the onus being on the party alleging abuse) that the claim or defence should have been raised in the earlier proceedings if it was to be raised at all. ... It is, however, wrong to hold that because a matter could have been raised in earlier proceedings it should have been, so as to render the raising of it in later proceedings necessarily abusive. That is to adopt too dogmatic an approach to what should in my opinion be a broad, merits-based judgment which takes account of the public and private interests involved and also takes account of all the facts of the case, focusing

attention on the crucial question whether, in all the circumstances, a party is misusing or abusing the process of the court by seeking to raise before it the issue which could have been raised before.”

123. For the reasons set out in §§24–25, Lord Sumption considered that the *Henderson v Henderson* principle should be regarded as a species of *res judicata*. He drew a distinction (at §25) between that and the procedural principle of abuse of process:

“Res judicata and abuse of process are juridically very different. Res judicata is a rule of substantive law, while abuse of process is a concept which informs the exercise of the court’s procedural powers. In my view, they are distinct although overlapping legal principles with the common underlying purpose of limiting abusive and duplicative litigation.”

124. Both cause of action estoppel and *Henderson v Henderson* abuse of process were considered by Richard Arnold QC (as he then was) in the earlier case of *Hormel Foods v Antilles* [2005] EWHC 13 (Ch), [2005] RPC 28, in a context very similar to the present in which the claimant sought a declaration that the defendant’s trade mark was invalid, or should be revoked for being devoid of distinctive character, having previously brought proceedings in the Trade Marks Registry claiming invalidity of the trade mark on different grounds. The judge found that the subsequent claims in the High Court for declarations of invalidity were barred by cause of action estoppel (§96), and both the invalidity claim and the revocation claim were abuses of process (§107).

125. In light of that judgment it is not in dispute that a decision in UKIPO proceedings can in principle found a cause of action estoppel or abuse of process argument in subsequent High Court proceedings (see also *Bentley 1962 v Brandlogic* [2020] ETMR 8, §21). There is, however, a question as to whether Lord Sumption’s definition of the cause of action estoppel would preclude a subsequent challenge raising a different legal basis to the basis relied upon in the UKIPO proceedings, or challenges validity on the basis of a different earlier mark. I will return to that point below.

126. Finally, the question of whether a cause of action estoppel or abuse of process binds both the proprietor of intellectual property rights and related trading companies was considered by the Court of Appeal in *Special Effects v L’Oréal* [2007] EWCA Civ, commenting at §82 that:

“If a corporate group such as L’Oréal chooses to arrange its affairs, no doubt for good reason, in such a way that matter such as trade mark oppositions, as well as applications and the holding of registered trade marks, are conducted by one company, for the benefit of others in the group, and others then use marks of which the first is the registered holder, or other marks, not yet registered, of which the first would be the holder if a registration was obtained, then it seems to us that it might well be consistent with what Sir Robert Megarry V-C said in *Gleeson v J Wippell & Co Ltd* [1977] 1 WLR 510, 515 (approved by Lord Bingham in *Johnson v Gore Wood & Co* [2002] 2 AC 1, 32) to regard any constraint on the first, whether by way of cause of action

estoppel, issue estoppel or abuse of process, as applying also to the second as its privy. The proposition enunciated by Sir Robert Megarry V-C was that

‘having due regard to the subject matter of the dispute, there must be a sufficient degree of identification between the two to make it just to hold that the decision to which one was a party should be binding in proceedings to which the other is a party.’”

127. In decision O-209-19 *Truscott v System Products* (17 April 2019), Martin Howe QC sitting as the Appointed Person of the UKIPO referred to *Special Effects* and the subsequent judgment of Floyd J in *Resolution Chemicals v Lundbeck* [2013] EWCA Civ 924 (which considered the doctrine of privity in more general terms). On the basis of those judgments, he considered that the key question was whether or not the relevant group of companies could be said to have organised its affairs in such a way that the company which brought previous invalidity proceedings “was attacking the validity of the registration effectively to protect the interests of the whole group, or at least of those members of the group who were engaged in a line of business affected by the design registration” (§82).

The 2007 UK invalidity actions

128. As I have set out above, the 2007 invalidity actions before the UKIPO were brought by Nuclei on precisely the same grounds as are now raised by the Defendants in their counterclaim, namely the goodwill and reputation of Nuclei prior to registration of the UK marks, and a claim that easyGroup’s registrations of the UK502 and UK528A marks were filed in bad faith. On the basis of those invalidity actions, easyGroup said that the invalidity counterclaims as advanced in the present proceedings in relation to the UK502 and UK528A marks were barred on the basis of cause of action estoppel, or alternatively abuse of process.
129. The problem for easyGroup is that the 2007 actions did not result in a formal final decision by the UKIPO, since as described above they (and the revocation actions filed at the same time, in relation to the same marks) were withdrawn with the consent of the parties. The question is therefore whether the circumstances of the withdrawal of the actions are such that it can be said that there was nevertheless a “decision” sufficient to engage the principles of *res judicata*.
130. There is very little before me as to the reason for the agreement to withdraw the 2007 actions. None of the relevant witnesses for either side could remember the terms of the agreement or the reasons for it. The only available evidence is therefore the contemporaneous correspondence. An email sent from Nuclei’s solicitors (at the time) Field Fisher Waterhouse to Kirsten Doherty at easyGroup on 7 September 2009 said:

“As discussed, rather than continue with the four actions listed above our client is willing to withdraw them in return for your confirmation that you will not request any costs award (and agree that no order as to costs is made).”

131. That email indicates that an earlier discussion had taken place between them, but there was no evidence as to the content of that discussion. Kirsten Doherty then replied on 9 September 2009:

“I am pleased to confirm that we are happy for your client to withdraw the above actions on the basis that each party pays its own costs (we will not request costs and agree that no order as to costs be made).”

132. Two days later, Field Fisher Waterhouse wrote to the UKIPO in the following terms, regarding each of the invalidity claims (with similar letters sent in relation to the two revocation claims):

“We write in relation to the above referred to invalidity action. On behalf of the Applicant for invalidation we request that the invalidity action be withdrawn.

The parties have agreed that the proceedings should be concluded with no order as to costs.”

133. The UKIPO responded by letters dated 16 and 17 September 2009, in relation to each of the invalidity claims (again with similar letters sent in relation to the two revocation claims), confirming that “the above invalidity has now been withdrawn as requested in your letter dated 11th September 2009”. Consistent with those letters, the UKIPO’s files record in relation to each of UK502 and UK528: “Invalidity case withdrawn” and “Revocation case withdrawn”.

134. The only other contemporaneous (or quasi-contemporaneous) record of the withdrawal agreement is an internal email from Kirsten Doherty dated 21 January 2010 recording that:

“Field Fisher Waterhouse approached us with straightforward offer to withdraw if we agreed that each party would bear own costs – we agreed”

followed by a further email a week later adding that:

“Mark Holah of Field Fisher Waterhouse called me to make the settlement proposal so there is nothing in writing. I can’t remember the exact wording he used but I distinctly remember being surprised by what he said which was something along the lines of there being no point in wasting time on the matter.”

135. On its face, that correspondence indicates that the 2007 invalidity claims were withdrawn pursuant to a “compromise without an order”, of the type which *Spencer, Bower and Handley* §2.10 characterises as not being a decision. That construction, as Mr Vanhegan pointed out, is supported by r. 69(1) of the Trade Mark Rules 2008 which require a “decision” to be accompanied by written reasons; that was plainly not the case for the letters sent by the UKIPO on 16–17 September 2009.

136. Ms Wickenden sought valiantly to argue that the withdrawal of the 2007 claims should nevertheless be regarded as equivalent to a final dismissal of the claims, such that the Defendants were barred by a cause of action estoppel. She said that the present case should be contrasted with *Ako v Rothschild Asset Management* [2002] EWCA Civ 236, where the withdrawal of a claim in the Employment Tribunal did not bar Ms Ako from making a second application based on the same facts, in circumstances where the Employment Tribunal had found that she did not intend to abandon her claim. Unlike the present case, the Tribunal had made an order formally dismissing the first action on the withdrawal of the claim. Dyson LJ nevertheless said at §41 that “If it is clear that the party withdrawing is not intending to abandon the claim or issue that is being withdrawn, then he or she will not be barred from raising the point in subsequent proceedings unless it would be an abuse of process to permit that to occur.”
137. The approach taken by the court in *Ako* was discussed and followed in *Spicer v Tuli* [2012] EWCA Civ 845, where Lewison LJ found that the fact that a consent order had been framed in terms of the dismissal of the claim, rather than withdrawal or discontinuance, should not necessarily give rise to a cause of action estoppel or abuse of process where it was clear from the surrounding circumstances that the relevant party did not intend to abandon its claim. Ms Wickenden said that in this case there *was* an intent to abandon the claim.
138. It is difficult to see how these authorities help easyGroup in this case. It is an unsurprising proposition to say that a court order framed in terms of a consensual “dismissal” might not necessarily bar a subsequent action if the facts indicate that the relevant party intended to discontinue without abandoning its future rights of action. It is, however, quite a different matter to say that a letter confirming the withdrawal of an action, with no order whatsoever, should be interpreted as being a final “decision” that could give rise to *res judicata* because of the intention of the parties.
139. In any event, as the party asserting the estoppel, it is for easyGroup to establish it on the facts. Ms Wickenden therefore rightly accepted that on her case it was for easyGroup to show that that Nuclei intended to abandon its invalidity claim. There is, however no specific evidence of any such intent. Ms Wickenden was therefore driven to submit that the court should infer an intent to abandon from (i) the absence of a clear reservation of rights by Nuclei; (ii) the fact that the parties agreed that there should be no order for costs; and (iii) the fact that the 2010 invalidity claims were based only on the BAA marks.
140. In my judgment, none of those factors allow the court to infer an intention to abandon the claim. (i) and (ii) are entirely neutral. As for (iii), given the timing of Nuclei’s withdrawal of the 2007 invalidity actions followed within a year by Pathway’s 2010 invalidity applications, it can reasonably be inferred that the Defendants considered that an invalidity claim based on the registered BAA marks would be more promising than the claim based on Nuclei’s prior rights and/or the bad faith argument. Indeed that was implicit in some of Mr Vanhegan’s submissions on the 2010 UK invalidity actions. But that says nothing about whether the Defendants intended to abandon for all future purposes any claim based on the arguments in the 2007 action.

141. There is, therefore, no basis upon which easyGroup can maintain a cause of action estoppel in relation to the withdrawal of the 2007 actions. Nor, for the same reasons, do I consider that that withdrawal of those actions in itself makes it an abuse of process for the Defendants to renew the arguments raised in those actions in these proceedings. The withdrawal of the 2007 actions is, however, a relevant part of the context for the assessment of the *res judicata* arguments based on the 2010 UK invalidity actions, to which I now turn.

The 2010 UK invalidity actions

142. I have set out above the history of the 2010 UK invalidity actions brought by Pathway. As with the 2007 invalidity actions, easyGroup's case on *res judicata* was put in the first instance on the basis of cause of action estoppel. In the alternative, easyGroup relied on abuse of process on the basis of the principle in *Henderson v Henderson* and/or general rules of court procedure.
143. In relation to the primary cause of action estoppel argument, in light of the 2020 correspondence with the UKIPO, the Defendants did not seek to argue that the 2010 invalidity actions had not resulted in a final "decision". Those actions had, however, claimed invalidity on the basis of one of the BAA marks, and did not pursue the prior goodwill and bad faith arguments advanced in these proceedings. There was therefore some debate before me as to the scope of Lord Sumption's second type of cause of action estoppel (see §121 above), concerning points that could and should have been raised in the earlier proceedings, which were "essential to the existence or non-existence of a cause of action". In particular, counsel disagreed as to whether that type of cause of action estoppel could apply in the present situation where a subsequent invalidity challenge raises a different legal basis to the basis relied upon in an earlier challenge (such as absolute vs relative grounds for refusal of registration), or challenges validity on the basis of a different earlier mark.
144. In *Hormel Foods* the judge certainly regarded different grounds of invalidity as falling within the scope of the cause of action estoppel principle. That might be consistent with Lord Sumption's characterisation of the scope of the principle if the relevant cause of action is regarded as simply the action for invalidity. If, however, the cause of action is to be defined by reference to the specific grounds of the claim for invalidity, then a challenge based on an entirely different legal basis or different earlier mark might well be said to fall outside the scope of Lord Sumption's second type of cause of action estoppel.
145. Ultimately, however, it was agreed that I do not need to decide that point for the purposes of the present case, given easyGroup's alternative cases on the basis of an abuse of process under the principle in *Henderson v Henderson* or the more general procedural rule against abusive proceedings. While in *Gaydamak v Leviev* [2014] EWHC 1167 (Ch) Mann J commented at §40 that there might be a difference in the burden of proof, depending on which way the case was put, he doubted that it would make a difference in most cases, and neither counsel sought to suggest that that would make a difference in this case.
146. As set out at §123 above, Lord Sumption in *Virgin Atlantic* made clear that *res judicata* and abuse of process are distinct but overlapping legal principles, with

the common underlying purpose of limiting abusive and duplicative litigation. Put another way, as Lord Keith expressed it in *Arnold v National Westminster Bank* [1991] 2 AC 93, 110G, both cause of action estoppel and issue estoppel are “essentially concerned with preventing abuse of process”. That is why in principle the ultimate enquiry for the court is whether the conduct is abusive, whether that is carried out under the rubric of cause of action estoppel or abuse of process.

147. I will therefore consider easyGroup’s abuse of process arguments, in relation to which the focus of the inquiry was on whether Pathway *could* and *should* have included the present grounds of invalidity in its 2010 UK invalidity actions.

148. Starting with whether Pathway *could* have included the present grounds of invalidity, there was no dispute that the bad faith grounds could have been advanced. There was, however, a question of whether Pathway could in 2010 have raised the grounds of invalidity based on Nuclei’s goodwill.

149. In the strike-out application before Nugee J, the Defendants had submitted that only Nuclei was able to seek a declaration of invalidity based on its prior goodwill. It referred in that regard to Article 5 of the Trade Marks (Relative Grounds) Order 2007 (“**the Relative Grounds Order**”), which provides that:

“(1) Only the persons specified in paragraph (2) may make an application for a declaration of invalidity on the grounds in section 47(2) of the Trade Marks Act 1994 (relative grounds).

(2) Those persons are – ...

(b) in the case of an application on the ground in section 47(2)(b) of that Act, the proprietor of the earlier right.”

150. Before me, easyGroup disputed that analysis, pointing out that Article 6 of the Relative Grounds Order, which is headed “Transitional provisions”, specifies in (2) that:

“Article 5 shall not apply to an application for a declaration of invalidity which relates to a trade mark the application for the registration of which was published before the coming into force of this Order.”

151. Since the UK502 and UK528A marks were published before the entry into force of the Relative Grounds Order, the effect of Article 6 is that Article 5 did not apply to the 2010 UK invalidity actions. Ms Wickenden also noted that the position prior to the entry into force of the Relative Grounds Order was that there was no requirement under the TMA for the person claiming protection for an earlier right to be the proprietor of that right: *Wild Child* [1998] RPC 455, 458–459. Pathway could, therefore, have invoked Nuclei’s goodwill as a basis for the invalidity claimed in its 2010 actions.

152. Mr Vanhegan in his closing submissions did not dispute that analysis, from which it followed that both the relative and absolute grounds of invalidity now relied upon could have been advanced by Pathway in the 2010 actions. He said,

however, that there were good reasons why it was not reasonable to expect that Pathway *should* have raised those grounds, relying on four reasons in particular.

153. The first reason was that Pathway was not a shareholder in Nuclei, exercised no control over Nuclei and would have had no power to compel Nuclei to give evidence in the proceedings.
154. That does not, however, reflect the reality of the group relationship. It was clear from the Defendants' evidence that Mr Regan effectively controlled the global trade mark portfolio within the IWG group. He also stated explicitly in his witness statement that since the acquisition of Nuclei Mr Abrahams had largely left him to manage the Easy Offices intellectual property portfolio, since he managed intellectual property rights across the IWG group and had greater expertise in that field. It also made practical sense to administer IWG's intellectual property rights centrally. On that basis, and in light of my further comments at §§165–166 below, there is in my view no doubt that Nuclei would have given evidence in the 2010 actions if requested by Mr Regan to do so on.
155. The second reason was that Pathway should not have been expected to raise all possible grounds of invalidity in its 2010 actions, rather than advancing a single relatively simple ground based on the pre-existing registered BAA mark. Adding goodwill and other grounds of challenge would have increased the complexity and cost of the proceedings. Trade mark registry proceedings were, Mr Vanhegan submitted, meant to be quick and cheap, operating under a fixed costs regime. In that context it would not be reasonable to expect a party to such proceedings to expend substantial irrecoverable sums raising grounds of invalidity that they expected would not be necessary.
156. The same arguments were, however, considered and rejected in *Hormel Foods*, where Richard Arnold QC commented at p. 685 that:

“Counsel also argued that the claimant was entitled to focus its attack in the Registry proceedings without being penalised subsequently, and that it was relevant that it would only recover nominal costs in the Registry proceedings even if successful. I do not accept those arguments either. If a party focuses its case on what it believes to be its strongest points, that does not entitle it to come back with further proceedings if it fails. The costs argument is, if anything, against the claimant. Having chosen to bring proceedings in a low-cost and low cost-recovery forum, the claimant had no reason not to include every available claim in the proceedings. As Counsel accepted, it is common for litigants in Registry proceedings to rely upon a multiplicity of grounds.”

157. Thirdly, Mr Vanhegan suggested that Pathway had not realised that it could invoke Nuclei's goodwill in the 2010 proceedings. There is, however, no evidence before me to support that suggestion. On the contrary it is quite apparent – and indeed acknowledged in the second reason that I have summarised above – that the reason for pursuing the 2010 invalidity action on the basis of the BAA mark and not Nuclei's goodwill was that the Defendants considered the prior registered BAA mark to provide a simpler and more straightforward basis for

claiming invalidity than the arguments based on Nuclei's goodwill. In any event, Pathway was represented by experienced lawyers in 2010, and it is quite clear that a reasonable enquiry as to the ability of Pathway to rely on Nuclei's goodwill would have revealed the position that is now common ground before me, as set out above.

158. Finally, it was suggested that the Defendants could not have expected an infringement claim to be brought by easyGroup. That is not a credible submission given the terms of the 2001–2002 correspondence, of which Mr Regan was aware prior to the acquisition of Nuclei. Indeed, the business case presented to the board for the acquisition in 2007 expressly referred to the risk of litigation with easyGroup.
159. In my judgment, therefore, Pathway both *could* and *should* have included the present grounds of invalidity in the 2010 actions.
160. Mr Vanhegan's fallback argument was that even if that was the case, it did not follow that it was abusive for the Defendants now to pursue those invalidity challenges. easyGroup had not, he said, identified any specific prejudice to it (save for the trivial costs associated with the 2007 actions); easyGroup had not previously had to address the points now raised in any material way; and it was not abusive for the Defendants to raise their invalidity challenges by way of a defence to infringement proceedings commenced nearly a decade after the revocation of the BAA marks.
161. I am not persuaded by these submissions. The prejudice to easyGroup lies in being "vexed" a second time after earlier proceedings, determined finally, in which the points now raised could and should have been advanced. The word "vexed" does not imply a material financial prejudice in the sense of wasted costs – indeed in any case falling within Lord Sumption's second category of cause of action estoppel, or the principle in *Henderson v Henderson*, the premise is that the relevant argument was not raised the first time round, such that no costs were incurred by the other side on the matter. The point is more one of principle: that having defended itself once already, the other side is entitled to rely on the finality of those proceedings, and should not have to meet a further challenge on different grounds that could and should have been raised before.
162. Nor, as a matter of principle, can a party avoid a finding of abuse of process on the basis that the disputed issue is raised by way of a defence or counterclaim rather than by initiating a claim. *Johnson v Gore-Wood* makes clear that the principle extends to both the "bringing of a claim or the raising of a defence in later proceedings" (see §122 above). Likewise in *Chiron Corporation v Organon Teknika (No 14)* [1996] FSR 701 the disputed issue as to the validity of a patent was raised by the defendant in its defence in a second set of patent infringement proceedings, after the same point had been raised and abandoned by the defendants in earlier proceedings. The Court of Appeal held that to do so amounted to abuse of process, with Sir Thomas Bingham commenting that:

"What, in my understanding, is not permissible is for a party with more than one cause of action or more than one ground of defence to advance one of them and then keep the others in reserve for a rainy

day. That seems to me to be in effect what the defendants are seeking to do here. ... They simply abandoned the defence, without any attempt to reserve their rights, and did not pursue it, with the result that the learned judge upheld the validity of the patent as amended and dismissed the defendants' counterclaim seeking a declaration of invalidity. In those circumstances it would, in my judgment, be the most obvious abuse of process to allow a defence to be raised which could, and in my judgment, plainly should have been raised then."

163. I do not think that the passage of time makes it any the less an abuse of the court's process for a point to be raised that could and should have been raised in earlier proceedings. If anything, the elapse of time is likely to add weight to a party's reliance on the finality of earlier litigation. Different considerations may arise, however, in relation to the defence of laches/acquiescence, which I address further below.
164. In the circumstances of this case, therefore, I consider that it would be a misuse of the process of the court for Pathway to be permitted to rely on the very same arguments as to invalidity of the UK trade marks that were initially advanced in the 2007 UK invalidity actions, but then withdrawn and not raised by Pathway in the 2010 UK invalidity actions. Those grounds are therefore barred, as against Pathway, in relation to the UK528A mark, whether on the basis of the principle in *Henderson v Henderson* or abuse of process more generally (and without having to determine whether there would also be a cause of action estoppel). Those grounds would also be barred in relation to the UK502 mark if that mark were not liable to be revoked for non-use in any event.
165. As to whether the other Defendants are, for this purpose, to be regarded as the privies of Pathway such that their counterclaims are barred on the same basis, as described above Mr Regan controlled the global trade mark portfolio of the IWG group. He accepted in cross-examination that he had authority to transfer the ownership of rights between the Regus companies, to decide which entity would issue proceedings:

"Q. Is it right that you had the authority to move around the rights as you wished, so when I say 'move around', take them from one Regus company and put them to another like Pathway? Is that within your authority?"

A. Yes. I would say it probably is, yes.

Q. And it was in your authority to decide who would issue the proceedings, in other words, as a result of that, you could transfer the rights from one party to another and they would step into the shoes of the applicant for invalidity or claimant in a trade mark case or whatever; correct?

A. Yes, I guess I would. I suppose that is right, yes, actually under advice, obviously."

166. Mr Regan also accepted that transfers of trade mark rights would be done for the benefit of the group as a whole:

“Q. Everything that was done, transfers, decisions on whose part to bring proceedings, all of that was for the benefit of one or other Regus entity or an associated entity; correct?”

A. Well, presumably it would not be done unless there was a benefit for the group as a whole and therefore for our shareholders as a whole. I accept that.”

167. In those circumstances there is no doubt (and the Defendants did not in their closing submissions dispute) that there was sufficient privity between the Defendants that all of the Defendants are constrained by any cause of action estoppel or abuse of process arising from the prior invalidity actions.
168. The invalidity counterclaims in relation to the UK528A mark (and, if it were necessary, the UK502 mark) are therefore barred on the grounds of the principle in *Henderson v Henderson* and abuse of process more generally.

The 2010 EU invalidity action: Article 60(4) EUTMR

169. As indicated above, easyGroup’s case as to the 2010 EU invalidity action was put primarily on the basis of statutory *res judicata* pursuant to Article 60(4) EUTMR.
170. The problem with that submission is that Article 60(4) on its face addresses the situation where the proprietor of rights has previously sought a declaration of invalidity, and the same person subsequently makes a new application (or counterclaims) for a declaration of invalidity on grounds that could have been invoked in support of the first action. While that would prevent Pathway from counterclaiming for a declaration of invalidity on the basis of grounds that could have been invoked in the 2010 EU invalidity action (which as discussed above included Nuclei’s prior goodwill), that does not on its face prevent a different entity from making a counterclaim on that basis.
171. easyGroup’s response was to contend that “proprietor” in Article 60(4) must be interpreted by reference to Article 46(1) EUTMR, which provides that opposition to the registration of a trade mark may be made by the “proprietors of earlier marks or signs referred to in Article 8(4) and by persons authorised under the relevant national law to exercise these rights”. The word “proprietor” in Article 60(4) should therefore, according to easyGroup, be construed as meaning “proprietor and persons authorised under the relevant national law to exercise those rights”. On that basis, Ms Wickenden submitted that the Defendants should not be permitted to circumvent Article 60(4) by arguing that it was Pathway that brought the 2010 EU invalidity action, in circumstances where that action started when Regus was in the process of acquiring Nuclei, and the action was managed and funded by Regus for the collective benefit of it and Nuclei.
172. I do not accept that submission. Article 46(1) does not indicate that “proprietor” should be interpreted so as to include someone who is not a proprietor of the relevant marks or signs. Rather, the effect of Article 46(1) is to enable opposition to be made by *both* a proprietor of earlier rights *and* persons authorised under the relevant national law to exercise those rights. If anything, that has the opposite effect contended for by easyGroup, since it emphasises that a proprietor is *not*

one and the same (for these purposes) as a person who is authorised under the relevant national law to exercise the relevant trade mark rights.

173. It is also notable that under Article 63(1) an application for a declaration of invalidity pursuant to Article 60(1), which includes an application based on an earlier right as set out in Article 8(4), may be submitted to the EUIPO by the persons referred to in Article 46(1). Essentially, therefore, the right to bring EUIPO invalidity proceedings based on prior rights mirrors the right to oppose a registration based on such rights. Article 63(3) then precludes a subsequent action for a declaration of invalidity “involving the same parties”, where the “same subject matter and cause of action” has been adjudicated on its merits in a final decision of either the EUIPO or an EU trade mark court. There is no requirement in that provision for those parties to have included the proprietor of the relevant rights.
174. Article 60(4) by contrast sets out a broader exclusion preventing a subsequent action where the rights sought to be relied upon in a subsequent action *could* have been invoked in the first proceedings. That fact that this refers only to the “proprietor” of those rights, by contrast with the provisions of Article 46(1) and Article 63, indicates that the intention was to confine that provision specifically to proceedings brought by the proprietor of rights rather than any other entity.
175. In the present case, therefore, Article 60(4) does not preclude an invalidity counterclaim in relation to EU509, insofar as it is advanced by and of the Defendants other than Pathway.

The 2010 EU invalidity action: abuse of process under domestic law

176. easyGroup’s alternative argument was that even if Article 60(4) EUTMR is not engaged, it can rely on the general principle of abuse of process rule, as a domestic procedural provision that continues to be applicable under Article 129(3) EUTMR. This argument was (alongside the Brexit arguments) the subject of further submissions at the March hearing.
177. Mr Riordan said that any *Henderson v Henderson*-type abuse of process argument was already provided for in the EUTMR, in the form of Article 60(4). This was therefore a case where the principle was “otherwise provided for in this Regulation” such that the domestic rules could not be relied upon pursuant to Article 129(3). He also said that in any event the principle in *Henderson v Henderson* is a substantive rule of domestic law, rather than a rule of procedure.
178. Ms Wickenden said, however, that for the purposes of this part of its case easyGroup did not rely on the principle in *Henderson v Henderson*, which she accepted was a substantive principle, but rather relied on the general domestic procedural rule of abuse of process, which was not harmonised by Article 60(4) or indeed any other provision of the EUTMR.
179. While it is clear that the principle in *Henderson v Henderson* substantially overlaps with the more general procedural rule of abuse of process, Lord Sumption identified these as distinct legal principles. Without expressing any view, therefore, as to the extent to which Article 60(4) would preclude an

argument put squarely on the basis of the rule in *Henderson v Henderson*, it is clear that Article 60(4) addresses the specific situation set above and does not purport to set out any more general principle of abuse of process. The general domestic procedural rule of abuse of process therefore remains applicable under Article 129(3).

180. That being the case, the same analysis must apply as for the 2010 UK invalidity actions. Indeed Nuclei did not seek to argue that any distinction should be drawn between the 2010 UK and EU invalidity actions, if in principle an argument of abuse of process was available to easyGroup in relation to the latter. The only difference, juridically speaking, is that the argument in relation to the 2010 EU invalidity action is necessarily put purely on the basis of the procedural principle of abuse of process, whereas in relation to the 2010 UK invalidity action easyGroup's arguments include cause of action estoppel and *Henderson v Henderson* type abuse of process.
181. Ultimately, however, whichever label is given to the point, the question comes down again to whether Pathway *could* and *should* have included the present grounds of invalidity in its 2010 actions, making it abusive for those grounds to be raised in these proceedings. My conclusions in that regard are equally applicable to the 2010 UK and EU invalidity actions and the answer must therefore be the same.
182. I therefore consider that the Defendants' invalidity challenges to the EU509 mark are barred on the grounds of abuse of process under domestic law.

Issue (iii): invalidity on grounds of Nuclei's prior rights

183. The Defendants claimed invalidity of the UK528A, EU509 and EU376 marks on the basis of Nuclei's prior rights, pursuant to s. 47(2) TMA (read together with s. 5(4)) and Article 60(1)(c) EUTMR (read together with Article 8(4)). My conclusions on *res judicata* mean that the issues of invalidity and statutory acquiescence only arise in relation to EU376. As I have already set out, the issue of invalidity on grounds of passing off in relation to Nuclei's signs raises three distinct issues, which I will address in turn.

Nuclei's goodwill

184. For the EU376 mark to be declared invalid pursuant to Article 60(1)(c) EUTMR on the basis that its use was liable to be prevented as passing off in relation to Nuclei's signs, it is common ground that the test for passing off is the "classical trinity" described by Lord Oliver in *Reckitt & Colman v Borden* ("*Jif Lemon*") [1990] 1 WLR 491, 499, namely (i) a goodwill or reputation attached to the relevant goods or services, such that the "get-up" under which the goods or services are supplied is recognised by the purchasing public as distinctive specifically of the relevant person's goods or services; (ii) a misrepresentation by the other party to the public leading them to believe that the goods or services offered by them are those of the person claiming goodwill; and (iii) a likelihood of damage as a result of that misrepresentation.

185. Protectable goodwill requires evidence of “the presence of clients or customers in the jurisdiction for the products or services in question” (Lord Neuberger in *Starbucks v BSKyB* [2015] UKSC 31, [2015] 1 WLR 2628, §47). Mere reputation is not sufficient. Rather, the trader’s sign or get-up must be distinctive of their goods or services. This was described in *Oertli v Bowman* [1957] RPC 388, 397, in a passage cited with approval in *Kerly’s Law of Trade Marks and Trade Names* (16th ed), §20-019 as occurring where the trader claiming goodwill can show that:
- “the disputed mark or get-up has become by user in this country distinctive of [that trader’s] goods so that the use in relation to any goods of the kind dealt in by the [trader] or that mark or get-up will be understood by the trade and the public in this country as meaning that the goods are the [trader’s] goods”.
186. It is not disputed that the generation of goodwill does not require widespread recognition. A small trader is thus as much entitled to protect their brands and business name as a larger company: *Chelsea Man* [1985] FSR 567, 574. In *Lumos Skincare v Sweet Squared* [2013] EWCA Civ 590 goodwill was established for a business with revenues of around £10,000 per quarter and around 25 customers.
187. easyGroup’s case on Nuclei’s goodwill was directed at the goodwill that Nuclei had (or, easyGroup submitted, had not) acquired by 2002, when easyGroup filed its applications for the UK502, UK528A and EU509 marks. In light of my findings on *res judicata*, however, that is not the relevant date, since the validity of those marks cannot be put in issue. What is in issue is only the validity of the EU376 mark.
188. Mr Vanhegan suggested that even on that hypothesis it would be necessary to look at the position in 2007, when easyOffice launched its business (at the High Street Kensington location). As the Privy Council emphasised in *Cadbury-Schweppes v Pub Squash* [1981] 1 WLR 193, at 204D, the relevant date is the date of the commencement of the conduct complained of. In this case Mr Vanhegan said that easyGroup was using the figurative sign registered under the EU376 mark from the outset of the easyOffice business, even if the application for that mark was not made until some years later.
189. There is, however, no significant difference between the white on orange figurative mark registered as the third mark in the UK528A series and the figurative mark registered as EU376 (see table at §21 above). On the basis of my findings as to *res judicata*, the validity of the UK528A marks cannot now be impugned; they could therefore legitimately be used to market the easyOffice business when it was launched. The objectionable conduct can therefore only be the application for the EU376 trade mark, which was filed on 4 March 2013.
190. By that point Nuclei had been trading as Easy Offices for around 13 years (since the spring of 2000). Its revenue had gone from modest beginnings (£14,147 in the year ended November 2000) to over £1.37m in the year ending December 2007. In the year ending December 2013 its total turnover was £852,747. Already by 2002, after the first few years of trading, Nuclei’s clients included many of the largest suppliers of serviced office space in the UK, including Regus itself. Their

office space was advertised and supplied by Nuclei via the www.easyoffices.com website under the mark EASYOFFICES.

191. There can be no doubt in my judgment that by 2013 Nuclei had acquired goodwill through its use of the EASYOFFICES sign. Indeed, Mr Malynicz did not seriously dispute that proposition. Rather, the focus of his submissions was on whether Nuclei was itself passing off in doing so, and whether easyGroup's use of the EU376 mark could be said to be a misrepresentation in the sense required by the classical test.

Whether Nuclei was itself passing off

192. In his opening submissions Mr Malynicz submitted that a claimant cannot invoke the law of passing off when the claimant is itself committing passing off. He based that submission on commentary in Wadlow, *The Law of Passing Off* (6th ed), §§9.45–9.47, suggesting that in an action for passing off it may be a defence for the defendant to show that the claimant's goodwill was itself obtained on the basis of a fraudulent or otherwise "sufficiently material" misrepresentation.
193. That principle appears to have emerged in various 19th century and early 20th century authorities, and there is little modern consideration of the doctrine. The one recent case to have considered the scope of the principle was the *Inter Lotto v Camelot*, where Laddie J ([2003] EWHC 1256 (Ch), [2004] RPC 8) and subsequently the Court of Appeal ([2003] EWCA Civ 1132, [2004] RPC 9) considered a defence that Inter Lotto could not rely upon the goodwill and reputation generated by the use of its mark HOT PICK in circumstances where that goodwill had been generated by use which infringed Camelot's trade mark HOTPICKS.
194. The point was put by Camelot in various ways. At first instance, Laddie J understood the submission to be based on the principle of *ex turpi causa non oritur actio*, which he rejected at §§44–45:

"The underlying principle of *ex turpi causa* is that the behaviour of the party has been so heinous that the court will not assist it. In the case of trade marks and passing off, occasionally the courts have held that the claimant's rights have been built up or supported fraudulently. ...

Relevant considerations include the following. First, whether or not a party's behaviour has been so bad as to merit exclusion from protection by the court is an issue of fact. Secondly, the wrongdoing has to be substantial and go to the heart of the right sued on. In my view it is unarguable that trade mark infringement without more amounts to wrongdoing of such a level of depravity as to engage the doctrine. ... The only wrongdoing alleged is the fact of infringement of the '392 mark (assuming, of course, that it is infringed). ... there is no suggestion of dishonesty or flagrancy here, not least because it appears that Inter Lotto was using its mark months before Camelot applied to register its mark and a year before Camelot started to use it."

195. On appeal, Camelot said that its case had been misunderstood at first instance. Its argument was much narrower, based on whether goodwill had been acquired by Inter Lotto by the time of Camelot's trade mark application. Camelot did not pursue any submission based on *ex turpi causa*, and Carnwath LJ said at §33 that it was right not to do so:

“... before us Mr Silverleaf has not based his argument on the ‘*ex turpi causa*’ (or ‘illegality’) principle. In my view he is right not to do so. The difficulties in determining the scope of the principle are notorious. ... However, the starting point is criminal illegality, or (possibly) ‘other reprehensible or grossly immoral conduct’ ... As the judge observed ... there is some precedent for its application in the context of trade mark and passing off, where there has been misrepresentation amounting to ‘a fraud on the public.’ However nothing of that kind is alleged here.”

196. At its highest, therefore, the principle referred to in the commentary in Wadlow is quite limited in scope, addressing situations where there has been serious wrongdoing such as a misrepresentation that involves dishonesty. That does not support the proposition that any act of passing off, without more, is liable to prevent a trader from acquiring goodwill.

197. easyGroup's submission is therefore far too sweeping. It amounts essentially to the point that was robustly rejected by Laddie J in *Inter Lotto v Camelot* and which the Court of Appeal said that Camelot was right not to raise before it. Something more than simply passing off is required, and would have to be pleaded by easyGroup. But while Sir Stelios repeatedly claimed in rather emotive terms that Nuclei “stole” his brand, easyGroup has not alleged, still less established, dishonesty or fraud on the part of Nuclei. On that basis, easyGroup's case on this point simply does not get off the ground.

198. Even if I were to accept the proposition that the court should prevent Nuclei from relying on goodwill that had been built up by Nuclei itself passing off, without more, the evidence before me does not come close to establishing that Nuclei did so.

199. In opening, Mr Malynicz put his case by reference to what he called the easyGroup “family of brands”, starting with the incorporation of easyJet in 1995, which was followed by the easyEverything internet café business in 1999 and easyRentacar in 2000. On that basis, his submission was that easyGroup had goodwill in the “easy” brand, namely businesses that used “easy” in lower case together with a descriptive word presented in orange, such that by the time that Nuclei started trading in 2000 its use of the sign EASYOFFICES amounted to passing off.

200. As Mr Vanhegan pointed out, however, goodwill protects actual trade in goods or services under a particular sign. Millett LJ observed in *Harrods v Harrodian* [1996] RPC 697, p. 711 that “the property which is protected by an action for passing off is not the plaintiff's proprietary right in the name or get up which the defendant has misappropriated but the goodwill and reputation of his business which is likely to be harmed by the defendant's misrepresentation.” Mr Vanhegan

also referred to the observation of Dillon LJ in *Lonrho v Fayed (No 5)* [1993] 1 WLR 1489, 1496 that goodwill “cannot mean some airy-fairy general reputation in the business or commercial community which is unrelated to the buying and selling or dealing with customers which is the essence of the business of any trading company”.

201. It is therefore not surprising that the court held in *easyJet v Dainty* [2002] FSR 6, §16 that easyGroup is not entitled to simply appropriate the word “easy” and prevent any business from using any name which includes that word.
202. In his closing submissions, therefore, Mr Malynicz changed his case, and disavowed any claim to monopolise the word “easy”. Rather, he submitted that the relevant goodwill was that of easyJet, easyEverything and easyRentacar, such that Nuclei’s business was (he said) built on misrepresentation to the customers of those businesses that Nuclei was associated with one or more of those businesses. He said that the misrepresentation occurred through the use of the name EASYOFFICES in conjunction with orange branding, which by then had become one of the distinctive design elements used by the “easy” businesses.
203. There is no doubt that by 2000 the three design elements described at §31 above had become characteristic of the branding of the “easy” businesses operated by Sir Stelios; and that easyJet, easyEverything/easyInternetcafé and easyRentacar generated significant goodwill after they were launched. The problem with Mr Malynicz’s submission, however, is that the evidence before the court indicates that Nuclei only used an orange logo for a very short period of time.
204. The Defendants’ evidence was that the orange designs were used in Nuclei’s stationery from some point in November 2000. As set out above, following the correspondence from Denton Wilde Sapte in February and March 2001, Mr Abrahams undertook to remove the white and orange livery from his letterhead, and agreed not to use any similar livery with white characters on an orange background. Mr Abrahams’ evidence was that he commissioned a revised version of the logo with different colouring, which was adopted in April 2001 and is shown at §27 above. There was no evidence before me suggesting that Nuclei had used an orange logo for any other period of time.
205. At most, therefore, it appears that Nuclei’s use of an orange logo with white lettering was confined to a few months at the end of 2000/start of 2001. Mr Malynicz rightly acknowledged that the use of a sign that amounted to passing off for a short period of time would not inevitably “taint” Nuclei’s acquisition of goodwill. That is, however, fatal to his argument, since it means that for the remaining period of time in which Nuclei was *not* using the orange design of its logo and letter footer, the goodwill that Nuclei generated could legitimately be relied upon for the purposes of a claim of invalidity of the EU376 mark.
206. It follows that even if, contrary to my primary conclusion above, easyGroup could oppose a claim of invalidity under Article 60(1)(c) EUTMR on the basis of alleged passing off, without more, that allegation would fail on the facts in the present case.

207. I do not therefore need to reach any conclusion as to whether the orange logo used by Nuclei in 2000/2001 was indeed passing off. Suffice it to say, however, that I see considerable force in Mr Vanhegan’s submission that it is difficult to see how the use of even the orange logo at that point in time could have given rise to any deception on the part of the customers of the easyJet, easyEverything and easyRentacar businesses, given the dissimilarity between the fields of business and the quite obvious differences between the figurative elements of the logos.
208. The comments of Lloyd LJ at §42 of *Lumos Skincare* are apposite:

“If the same mark is used in relation to goods of two entirely different natures, of kinds which no ordinary person would suppose could be connected, then the use of the mark by one party is unlikely to be found to amount to a representation that its goods are from the same trade origin as those of the other user.”

209. It seems very unlikely that consumers using the Easy Offices website to source serviced office space, or suppliers of serviced offices advertising via the Easy Offices website, would have supposed the company to have any connection with the “no frills” airline bookings, internet café facilities or rental cars supplied by the “easy” companies founded by Sir Stelios.

Misrepresentation

210. The final issue for the purpose of the invalidity claim is therefore whether, in light of the goodwill generated by Nuclei by the time of registration of the EU376 mark, the use of that mark amounted to a misrepresentation by easyGroup, leading consumers to believe that the services offered by easyGroup were in fact those of Nuclei’s Easy Offices business, as a result of which Nuclei would be likely to suffer damage.
211. In the context of a dispute as to validity on relative grounds, that question must be assessed by looking at the “normal and fair” use of the impugned mark, and whether that would amount to passing off: see e.g. *IPC Media v Media 10* [2014] EWCA Civ 1439, [2015] FSR 12, §61. *Kerly’s Law of Trade Marks and Trade Names* (16th ed, 2020) comments at §11-150 that “in this sense the test is different from that involved in a claim in passing off which would normally require a consideration of all of the circumstances of the defendant’s trade”.
212. It is settled law that mere confusion is insufficient to establish misrepresentation in this context. Rather, the misrepresentation must be such as to deceive relevant consumers into a belief that the defendant’s goods or services are those of the claimant, or are connected with the claimant. The erroneous belief must therefore be as to the source of the product (see e.g. Lord Oliver in *Jif Lemon*, at p. 505), and it is necessary to show that a substantial number of the actual or potential customers of the claimant were liable to be misled (*Lumos Skincare*, §64).
213. It is also necessary to show that the deception would be liable to cause damage to the claimant. In *Phones4U v Phones4U.co.uk Internet* [2007] RPC 5, §19, Jacob LJ expressed the point as being “whether what is said to be deception rather than

mere confusion is really likely to be damaging to the claimant's goodwill or divert trade from him. I emphasise the word 'really'."

214. In that regard, while there is no rule that the defendant must operate in the same field of activity as the claimant (*Harrods v Harrodian*, p. 712), if the respective fields of activities are very different, particularly clear and cogent evidence will be necessary to establish a real likelihood of damage to the claimant's trade or goodwill: see *Stringfellow v McCain* [1984] RPC 501, pp. 545–7.
215. In the case of the EU376 mark, while its specification included activities that were the same as those of Nuclei ("advisory and consultancy services" for the "provision of serviced offices"), I consider that Mr Malynicz is right to say that the use of the EU376 mark for the purposes of the easyOffice business was not liable to have amounted to misrepresentation such as to give rise to a likelihood of damage to Nuclei's goodwill or trade.
216. The EU376 mark was registered in a very specific figurative form, with the design elements that characterised a number of different "easy" company brands: the Cooper Black font, lowercase "easy" plus capitalised "Office", in white lettering on a Pantone 021c background:



217. That design was also, as I have already noted, almost exactly the same as the third mark in the UK528A series, which had been used for the purposes of the easyOffice business since 2007. Nuclei's own orange logo had, by contrast, not been used since early 2001, and Nuclei had thereafter adopted a succession of quite different marks as depicted at §§27–28 above.
218. In those circumstances, any person seeing the EU376 mark would in my judgment have been more likely to associate that mark correctly with the "easy" companies operated by Sir Stelios, including easyOffice itself, than with Nuclei's Easy Offices business. I do not, therefore, consider that the use of that mark would have caused any deception that was liable to either damage Nuclei's goodwill or divert trade from it. I should add for completeness that there was no evidence before me suggesting that anyone was actually deceived in that way, although that of course is not decisive.
219. Mr Vanhegan argued that notional use of the mark would cover aural use, which is not visually limited. But the EU376 mark is primarily visual, such that any aural use would be accompanied by a visual presentation of the mark, either then and there or within a short space of time; and as set out above the visual use of the mark would preclude deception. There was no concrete explanation as to how any significant aural use of the mark could arise in these circumstances, so as to be liable to cause a deception on the part of a substantial number of Nuclei's actual or potential customers.

220. In conclusion on this issue, although I consider that Nuclei had acquired relevant goodwill by the time of the application for the EU376 mark, the use of that mark did not amount to a misrepresentation leading actual or potential customers to believe that the goods or services offered by easyOffice were those of Easy Offices.

UK528A and EU509

221. For completeness, I will address the position if, contrary to my primary conclusion above, the Defendants are not precluded by *res judicata* from challenging the validity of the UK528A and EU509 marks. In that case the point for assessing the extent of Nuclei's goodwill, whether there was passing off on the part of Nuclei, and whether the use of the marks amounted to a misrepresentation by easyGroup, is the point in time at which the applications for the relevant marks were filed, namely October 2002.

222. My conclusion on the issue of goodwill would on this hypothesis be the same as for the assessment above of the EU376 mark. Although by 2002 Nuclei had only been trading for a short time, it had already built up a substantial client base by then. During the year ended 30 November 2001 the Defendants' evidence was that Nuclei had concluded 266 deals in total, with 93 separate clients, generating revenue of £274,248. From 1 December 2001 to 17 October 2002 the business generated revenue of over £350,000 from around 185 clients.

223. As for passing off by Nuclei, the same obstacles to easyGroup's submission on this point arise as for the EU376 mark, including the point that for the majority of the period during which Nuclei had been trading it had used logos that did not include the orange design to which Mr Malynicz took objection.

224. In relation to the final question of misrepresentation such as to give rise to a likelihood of damage, as with the EU376 mark there is no evidence of actual consumer deception, but as noted above that is not decisive and it is necessary to consider all of the relevant circumstances.

225. The starting point is that the specifications for the UK528A and EU509 marks covered related albeit not identical fields of activity to that of Nuclei, including in particular the hire of temporary office space (UK528A), and rental of offices, leasing/letting of office space and hire of temporary office space (EU509). Nevertheless, in relation to the third mark in the UK528A series I would reach the same conclusion on misrepresentation as for EU376, for similar reasons.

226. As with EU376, the third mark in the UK528A series was registered in a very specific figurative form, with the same design elements that were used across the other "easy" company brands on the market at the time.



227. As discussed above, the evidence was that save for the period from around November 2000 to April 2001, Nuclei had used logos which were very different to the designs used in the easyOffice orange figurative mark. In October 2002 when easyGroup filed its application for the UK528A marks the logo used for

Easy Offices appears to have been the blue logo depicted at §27 above. In those circumstances, a person seeing the orange figurative mark registered under UK528A would in my judgment not have been deceived as to the source of the goods or services associated with that mark, but would have associated the mark correctly with the “easy” companies founded by Sir Stelios.

228. The position is, however, different for the remainder of the UK528A series of marks and EU509. The first two of the UK528A series of marks are pure word marks: EASYOFFICE and easyOffice. EU509 is likewise a word mark: EASYOFFICES. easyGroup itself says that those marks are almost identical to the EASYOFFICES sign used by Nuclei, the only difference being the “s” on the end of EASYOFFICES. The fourth of the UK528A series of marks is a figurative mark, but in a black and white design rather than in the orange and white colours that formed part of the standard “easy” company brand design:



229. As set out above, it is necessary to consider the notional “normal and fair” use of the disputed marks. On that basis, without the orange design element, I consider that there would have been a considerable likelihood that an actual or potential Nuclei customer seeing the UK528A or EU509 word marks or the black and white figurative mark would be deceived into thinking that the source of the services offered under the mark was connected with Easy Offices, leading either to damage to Nuclei’s trade (given the related nature of the specifications of the marks) or at least damage to Nuclei’s goodwill.
230. I note that the word marks and the black and white figurative marks registered under UK528A and EU509 are far less distinctive than the other UK528A and EU376 figurative marks, given the absence of (in particular) the orange colouring used by various of the “easy” brands, and the descriptive nature of the word “easyOffice” on its own. easyGroup did not, however, at any point suggest that this would preclude a finding of consumer deception for the purposes of the invalidity issue.
231. Mr Vanhegan argued that if one or more of the UK528A marks were invalid, that would invalidate all of the marks on the grounds that it was not possible to sever a series of marks. I note in that regard that s. 41(2) of the TMA defines a series of marks to refer to marks that differ “only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark”. However, as the Court of Appeal noted in *Comic Enterprises v Twentieth Century Fox Film* [2016] EWCA Civ 455, [2016] ETMR 39, §43, the registration of a series of marks is simply a registration of different trade marks under the same number. It is therefore possible to revoke some but not others of the series, for example for non-use.
232. Each mark within a series thus remains a distinct trade mark in its own right, and the grounds of invalidity can (as with revocation) be applied to each mark individually. While in many or perhaps even most cases the similarity of the marks in the series will make it unlikely for different conclusions to be reached as to the validity of those marks, there is no reason why a court should be

precluded in principle from finding that some but not all marks in a series are invalid, if the facts of the particular case justify that conclusion.

233. If I had needed to decide the point, therefore, I would have found that the EU509 and the UK528A marks, save for the third mark in the UK528A series, were invalid on the grounds of Nuclei's prior rights.

Issue (iv): invalidity on grounds of bad faith

234. The alternative basis on which the Defendants contend that the easyGroup marks are invalid is on the grounds that they were registered in bad faith. As with invalidity on grounds of Nuclei's prior rights, my conclusion on *res judicata* means that the issue of bad faith arises only in relation to the EU376 trade mark.

Legal principles

235. It was common ground that the current state of the law on the concept of bad faith, for the purposes of both s. 3(6) TMA and Article 59(1)(b) EUTMR, is as set out very recently by the Court of Appeal in *Sky v Skykick* [2021] EWCA Civ 1121. In that judgment, the Court listed at §67 the following propositions which it gleaned from the CJEU authorities, including the seminal judgment in Case C-529/07 *Lindt* EU:C:2009:361:

“1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].
 6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].
 7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].
 8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].
 9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41]–[42].
 10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].
 11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Magazacilik* at [46].
 12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].
 13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54].”
236. As the Court noted at §52 of *Skykick*, the CJEU in *Lindt* did not set out a comprehensive definition of bad faith, but gave guidance on the factors that might contribute to such a finding in factual scenarios similar to the facts of that case, which concerned an intention to prevent a third party from marketing a particular product. The CJEU said, in that regard, that
- “43. ... the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case where it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market. ...

46. ... the fact that a third party has long used a sign for an identical or similar product capable of being confused with the mark applied for and that that sign enjoys some degree of legal protection is one of the factors relevant to the determination of whether the applicant was acting in bad faith.

47. In such a case, the applicant's sole aim in taking advantage of the rights conferred by the Community trade mark might be to compete unfairly with a competitor who is using a sign which, because of characteristics of its own, has by that time obtained some degree of legal protection."

EU376

237. Mr Vanhegan said that the registration of EU376 was in bad faith for reasons that fell squarely within the *Lindt* scenario. At the time that easyGroup filed its application for EU376 (March 2013), Pathway's applications for EASYOFFICES trade marks were pending and under opposition by easyGroup. Pathway's invalidity actions in the UKIPO against UK502 and UK528A, and in the EUIPO against EU509, had been stayed pending the final determination of easyGroup's application to revoke the BAA marks. The easyOffice business was also, by then, winding down having been increasingly unprofitable in the previous years. In those circumstances, Mr Vanhegan submitted that easyGroup must have intended to use EU376 to gain an unfair tactical advantage in its ongoing disputes with Pathway, and to prejudice Nuclei's ongoing trade.
238. I do not accept that submission. As the Court of Appeal noted at §52 of *Sky v Skykick*, the particular type of bad faith discussed in *Lindt* is a situation where the sole objective of the applicant is to compete unfairly with a competitor, rather than making genuine use of the mark. In the present case part of easyGroup's intention in applying to register EU376 may well have been to seek to obtain an advantage in its disputes with the Defendants. There was, however, an entirely coherent commercial logic in that registration. By March 2013 easyOffice had been trading as such for almost six years. While the scope of its trade had undoubtedly significantly diminished during the later part of that period, the evidence indicates that bookings continued to be taken for (at least) the Old Street location until October 2013, and there was an ongoing arrangement with Instant Offices.
239. The extent of the business that did in fact materialise in the following years from the physical easyOffice premises and the Instant Offices agreement is discussed further below in relation to the issue of revocation for non-use. As at March 2013, however, the evidence does not establish a lack of intent to use the EU376 mark such as would point towards bad faith. I therefore do not need to comment on whether an intent to obtain an advantage in ongoing litigation might in other circumstances amount to bad faith, beyond noting that a similar argument was

rejected by Arnold J in *Walton International v Verweij Fashion* [2018] EWHC 1608 (Ch), [2018] ETMR 34, §197.

UK528A and EU509

240. Again, for completeness, I will address the position as regards the UK528A and EU509 marks if, contrary to my conclusions on *res judicata*, a bad faith argument may be advanced by the Defendants in relation to those marks.
241. Mr Vanhegan’s submission in relation to those marks was that easyGroup had no interest in “easyOffice” until it knew that Nuclei was trading as EASYOFFICES, and in fact did not make any actual use of the UK528A and EU509 marks until 2007. That indicates, he submitted, that easyGroup did not have any genuine intention to begin trading as easyOffice when it applied to register the marks in 2002, but was rather seeking to exclude Nuclei from the market. Again, he said that this demonstrated bad faith along the lines of the conduct referred to in *Lindt*.
242. Again, I do not accept that submission. The internal easyGroup presentation of 26 September 2002 (§32 above) included easyOffice in a list of possible future business ventures. The same presentation indicated that there had already by then been some initial discussions with Mr Dixon regarding a possible partnership arrangement between easyGroup and Regus. easyGroup also disclosed a market research summary for the easyOffice concept, which was undated but which from its sources appears to have been produced around the same time.
243. An email from easyGroup’s IP manager Mr Whatt to Sir Stelios on 3 October 2002 set out the status of trade mark registrations and domain names for the new project ideas, prefaced by the comment:
- “The following is a quick summary of what we have got and not got for the very key names for the new ideas. At the end of the email is what I advise that we need to spend to get our protection for these ideas to a reasonable level.”
244. easyOffice was then listed in the email (alongside others, including easyBus, easyGym and easyCinema) as a trade mark that easyGroup had “not yet” applied for. At the end of the email Mr Whatt asked Sir Stelios for authorisation to apply for all the trade marks that were “not yet” applied for. Shortly thereafter Sir Stelios gave a speech at a Property Forum event in which he announced that he was thinking of a move into the serviced office sector. The easyOffice trade mark applications were then filed by easyGroup on 18 October 2002.
245. While the easyOffice business was ultimately not launched until 2007, the contemporaneous documents demonstrate that easyGroup did have a genuine intention to extend its activities to the serviced office sector, and that easyOffice was a trade mark that was sought as part of that development alongside a number of other new project ideas that had been discussed. There is no evidence to support the submission that the *sole* purpose in applying for the UK528A and EU509 marks was to exclude Nuclei from the market or otherwise compete unfairly with it.

246. I therefore do not consider that either the EU376 mark or (if necessary to consider these) the UK528A and EU509 marks were registered in bad faith so as to render them invalid under s. 47(1) TMA read together with s. 3(6) TMA, or Article 59(1)(b) EUTMR.

Issue (v): statutory acquiescence

247. If I had found that any of easyGroup's marks would in principle be invalid on grounds of Nuclei's prior rights, it would have been necessary to determine easyGroup's contention that the Defendants acquiesced in that use, so as to bar them from seeking a declaration of invalidity, pursuant to s. 48(1) TMA and Article 61 EUTMR. easyGroup's position in its opening skeleton argument was that the Defendants had acquiesced in the use of the easyGroup trade marks for a continuous period of at least five years from September 2009, i.e. since the withdrawal of the 2007 invalidity and revocation actions.

248. On my primary conclusions set out above, it is not necessary to decide this point. Insofar as the issue would have arisen, however, it is clear that an argument of acquiescence cannot succeed in this case, for two reasons.

249. First, in a judgment handed down on 10 December 2021 in the case of *Combe International v Wolff* [2021] EWHC 3347 (Ch), in which Mr Vanhegan and Mr Malynicz were again on opposing sides, Adam Johnson J found that if the owner of an earlier mark seeks to invalidate the registration of a later mark it cannot be said to be acquiescing in the use of that registered trade mark (see in particular §§191–7). Mr Malynicz did not demur from that analysis in his closing submissions. That is a complete answer to easyGroup's acquiescence argument in relation to the UK528A and EU509 marks, since those marks were under challenge by Pathway in the UKIPO and EUIPO respectively from 2010–2020.

250. Secondly, as for the EU376 mark, the CJEU held in Case C-482/09 *Budějovický Budvar v Anheuser-Busch (“Budweiser”)* EU:C:2011:605, §58 that in order to establish acquiescence by the proprietor of the earlier mark it must be necessary to show that they were aware of the registration of the later trade mark and of the use of that trade mark after its registration. The Defendants said (among other things) that they were unaware of the existence of the EU376 mark until the commencement of the present proceedings. There was no attempt to suggest otherwise in the cross-examination of either Mr Abrahams or Mr Regan, nor was there any other evidence before me suggesting that the Defendants knew of the existence of EU376. On the evidence before me, therefore the Defendants lacked the necessary knowledge to establish acquiescence pursuant to Article 61 EUTMR.

Issue (vi): revocation for non-use

251. On the basis of my primary conclusions above, the Defendants' validity challenges to the easyGroup trade marks fail, and the issue of revocation therefore arises. The Defendants' position in that regard is that the UK502 and UK528A marks should be revoked for non-use pursuant to s. 46(1)(b) TMA on the basis that they were not put to genuine use for more than five years prior to the filing of easyGroup's claim – or indeed ever genuinely used by easyGroup, in the case

of UK502. Likewise the Defendants say that the EU509 and EU376 should be revoked for non-use under Articles 18(1) and 58(1) EUTMR.

Legal principles

252. It is uncontroversial that a trade mark proprietor bears the burden of proving genuine use of its trade mark, when that is called into question: s. 100 TMA and Article 19(1) of Commission Delegated Regulation 2018/625 on the EU trade mark [2018] OJ L104/1. The European Court has confirmed in numerous cases that that genuine use of a trade mark cannot be proven by means of probabilities or suppositions, but must be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the relevant market (see e.g. Case T-353/07 *Esber v OHIM* EU:T:2009:475, §24). In decision O-235-13 *In re Plymouth City Council, ex p Awareness* (28 May 2013), Daniel Alexander QC sitting as the Appointed Person of the UKIPO added that:

“19. For the tribunal to determine in relation to what goods or services there has been genuine use of the mark during the relevant period, it should be provided with clear, precise, detailed and well-supported evidence as to the nature of that use during the period in question from a person properly qualified to know. ...

22. ... it is not strictly necessary to exhibit any particular kind of documentation but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal ... comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaking, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

253. There are sound policy reasons for the proof of use requirement and the corresponding power to revoke for non-use. Registration of a trade mark confers a statutory monopoly, and it is undesirable that such a monopoly should extend to areas in which the proprietor of the trade mark is not genuinely active: see Floyd J in *Galileo International v EU* [2011] EWHC 35 (Ch), §§39–40, and the similar comments of the European Court in Case T-171/13 *Benelli v OHIM* EU:T:2016:54, §67.

254. The principles adopted by the European Court for the assessment of whether there has been genuine use of a trade mark were summarised by Arnold J in *London Taxi Corp v Frazer-Nash Research* [2016] FSR 20 at §219 as follows:

“(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 ...”

255. In relation to the use of an EU trade mark, Arnold J continued at §§219(9)–(11) of the same case to note that while it is reasonable to expect an EU trade mark to be used in a larger area than a national trade mark, it was not necessary for the mark to be used in an extensive geographical area for that use to be deemed genuine, and in certain circumstances the use of an EU trade mark in the territory of a single member state might satisfy the conditions for genuine use of the mark.
256. It is well established that the existence of some retail sales of a product is not itself sufficient to demonstrate genuine use of a trade mark:
- i) In Case C-141/13 P *Reber v OHIM* EU:C:2014:2089 the CJEU upheld the conclusion of the Board of Appeal of OHIM that chocolate sales from a single shop in Bad Reichenall in Germany did not amount to genuine use of a trade mark.
 - ii) In Case T-250/13 *Naazneen Investments v OHIM* EU:T:2015:160 the General Court upheld the conclusion of the Board of Appeal of OHIM that the sale of 15,552 bottles of energy drink was insufficient to prove genuine use, in the context of the overall size of the market for beverages.
 - iii) In Decision O-222-16 *In re Nike Innovate (JUMP MAN)* (18 April 2016), Mr Alexander QC, sitting as the Appointed Person, upheld the Hearing Officer’s conclusion that sale of 55,000 pairs of shoes from a shop in Bulgaria (with “very modest” trade sales to Romania) was insufficient to constitute genuine use having regard to the market context. He commented, in particular, at §94 that there was “tiny proven use in the context of the economic market as a whole in a single shop in a single mall in a single town in one EU state.”
257. It is also clear that when assessing whether a given volume of trade is sufficient to establish genuine commercial use, it is necessary to have regard to the characteristics of the products or services in the relevant market, as well as other relevant factors which will include the characteristics of the company using the mark, such as the volume of business, production or marketing capacity, and the degree of diversification of the company: Case T-78/19 *Lidl v EUIPO* EU:T:2020:166, §31.
258. Arnold J noted at §219(7) of *London Taxi Corp* (cited above) that even minimal use can be sufficient, depending on the circumstances, where justified in the relevant economic sector for the purpose of creating or preserving market share for the relevant goods or services. But the European Court has also held that the smaller the commercial volume of the use of the mark, the more necessary it is for the trade mark proprietor to produce additional evidence to dispel any doubts as to the genuineness of its use: *Lidl*, §§31–3.
259. Finally, a trade mark cannot be revoked if there are proper reasons for non-use. The Court of Appeal in *R (BAT) v SS for Health* [2016] EWCA Civ 1182, [2017] ETMR 9 considered what would constitute such a reason. At §§78–9 it referred to Article 19(1) of the TRIPs Agreement as applied in Case C-246/05 *Häupl v Lidl Stiftung* EU:C:2007:340, [2007] ETMR 61, indicating that circumstances arising independently of the will of the trade mark proprietor, which constituted

obstacles to the use of the trade mark, which make its use “impossible or unreasonable”, would constitute valid reasons for non-use of the mark. The court’s conclusion at §80 was that a legislative prohibition on the use of a trade mark would satisfy that definition. Neither party referred me to any other authority on this point.

Application in this case: preliminary comments

260. As noted at the outset, it is common ground that easyGroup did not make any use of the UK502 mark. There is therefore no dispute that that mark falls to be revoked for non-use, with effect from five years after the date of its registration, i.e. from 6 December 2007.
261. As regards UK528A, EU509 and EU376, two questions arise. The first is whether as at the date on which the claim was filed (15 May 2019) those marks were liable to be revoked on the grounds that they were not genuinely used in the five preceding years. easyGroup relies on two types of use by it during that period: first, the physical hire of easyOffice premises in the Croydon easyHotel building, and secondly, “white label” use through the arrangement with Instant Offices until January 2019, which was described variously as a referral or licensing arrangement. The Croydon premises are relied upon to establish use of all three of the easyGroup trade marks. The arrangement with Instant Offices is, however, only relevant to the use of EU376, since the service provided by Instant Offices, namely a brokerage service for serviced office space, fell outside the specifications for the UK528A and EU509 marks. (I address the specifications for the marks in more detail below in my discussion of infringement.)
262. The second question is whether revocation should be ordered to take effect from any date before the claim was filed, on the basis that any genuine use of the marks had in fact ceased before May 2014.

The Croydon premises

263. As regards the Croydon premises, as I have already noted the factual evidence regarding the precise location of the easyOffice space within the building and the date on which that space was open for business was thin on the ground. The evidence indicated, however, that at least from around December 2014, easyOffice office spaces were available in refurbished premises on the second floor of the Croydon building. Prior to that there was some evidence of office space having been available on the ground floor of the building.
264. The only booking records disclosed by easyGroup for the Croydon easyOffice related to the period up to September 2014, showing total revenue for May to September 2014 of £1,051.20. That revenue appears to have been generated from a total of four customers: Gina Madu of BME, who booked a single desk for 8 nights in June; Sabrina Daw of Appel Consulting, who booked three desks for 14 nights in June/July; Vision Studios, which booked a single desk for a night in July and a night in August; and London Visa, a company purporting to provide immigrant advisory services, which booked office space in Croydon from July to September.

265. Sir Stelios' witness statement referred to a June 2014 internal email which showed the June bookings from Ms Madu and Ms Daw, and claimed that those bookings were "consistent with the bookings we were getting for Croydon between 2014–2016". In fact, however, there was no evidence at all of any bookings being made for easyOffice from October 2014 onwards, and Sir Stelios accepted in cross-examination that he had no idea what revenue was received from the Croydon easyOffice from October 2014 onwards, or what customers may or may not have booked during that period. While he suggested that the reason for the absence of further information was that bookings for the Croydon premises were made through third parties that were no longer used by easyGroup, that does not explain why easyGroup was able to disclose detailed records of the bookings made from June to September 2014 (as well as internal emails referring to some of the bookings), but nothing whatsoever thereafter if any further bookings were indeed made.
266. On the basis of the material before me, I consider that the reason for the lack of evidence of bookings after September 2014 is most probably that there were simply no further customers for the Croydon premises. That is consistent with internal emails from 9 and 10 December 2014 in which Sir Stelios repeatedly complained that easyOffice had no customers.
267. The evidence also shows minimal marketing activity for the Croydon premises during the relevant period: a payment in December 2014 of £2,000 per month for two months of Google advertising, an email on 8 December 2014 to 50 people who had enquired about easyOffice, and a further email a few days later to 340 people who had signed up for "easyOffice offers" via the easyOffice website. It appears that 1,000 flyers advertising the Croydon office had been printed and distributed in October 2013, and a further 5,000 flyers in January 2014, but there was no evidence of any local advertising at any time after that.
268. That can be contrasted with the evidence that £119,737.39 was spent advertising easyOffice on Google between June and November 2007, when the business first launched. Mr Smith's second witness statement also provided details of the leafleting campaigns that had been carried out in the vicinity of the previous easyOffice premises, stating that 12,000 flyers had been distributed prior to the launch of the Camden easyOffice, and people had been employed to promote the business by wearing sandwich boards displaying details of the relevant easyOffice.
269. Mr Malynicz said that the advertising spend for the Croydon premises was proportionate given that even on 100% occupancy easyGroup would have received revenue of only £6,720 over eight weeks. It is notable, however, that despite the fact that the marketing activity apparently failed to result in any customers for the Croydon premises, there is no evidence of any further attempt being made to market the business throughout the period that it was open for bookings.
270. Mr Vanhegan submitted that ultimately the evidence demonstrated that the use of the Croydon premises was simply a sham, designed to preserve the easyOffice mark. It is not necessary to go that far: as the case-law set out above demonstrates, a trade mark proprietor may make genuine retail sales of the product under the

mark, which are nevertheless not sufficient to demonstrate genuine use of the mark. That does not require a business to be a commercial success; rather, the question is simply whether there is genuine use of the mark to create or preserve market share for the goods or services for which the mark is registered, when considered in the context of the characteristics of the sector and the business in question.

271. In the present case, the easyOffice business was not a new entrant in a niche sector. It had been in business since 2007 as part of a very successful family of brands supported by sophisticated marketing capabilities; and it was operating in a mature sector with established markets for the provision of serviced offices across all of the major European cities. An Instant Offices report produced in 2012 stated that in the UK alone over 31 million square feet of serviced office space was then available across a total of 2105 open centres. In that context, evidence of revenues of just over £1,000 generated by four customers from June to September 2014, who used between them a handful of desks on a single floor of a Croydon hotel building, accompanied by only desultory marketing efforts during the relevant period, does not come close to showing genuine use of the mark for the purpose of creating or preserving market share in this sector.

The Instant Offices arrangement

272. Instant Offices is a broker of serviced offices, in direct competition with Nuclei. easyGroup (and Sir Stelios, in his oral evidence) described the partnership with Instant Offices as a licensing arrangement, under which Instant Offices was given the right to use the easyOffice trade mark to promote its advertising of serviced office space, in return for which easyGroup received a royalty or commission. There was, however, no licence agreement in evidence before me, nor indeed any other contemporaneous record of the nature or terms of the agreement between easyGroup and Instant Offices, and no easyGroup witness was able to give any evidence as to the terms of the arrangement with Instant Offices.
273. Nor was there any clear and consistent evidence as to how the partnership with Instant Offices worked in practice, in terms of the customer booking experience. easyGroup's opening submissions and Sir Stelios' witness statement suggested that bookings were made by easyOffice through the www.easyoffice.co.uk website rather than by Instant Offices. That was not, however, consistent with the evidence of Mr Richardson, who was involved in the website design before he left the company in 2011, and who said that Instant Offices had provided the booking engine for serviced office space through its sub-site book.easyoffice.co.uk, and that he had provided Instant Offices with easyOffice branding in the form of imagery which "sat upon" the Instant Offices booking engine. That imagery took the form of the following logo:



274. Neither Sir Stelios nor Mr Richardson were able to give any evidence as to how bookings were made by customers, and how (if at all) the easyOffice mark was used to identify easyOffice as the source of the services in the booking process. The only evidence that shed any light on this was historic website screenshots of

pages from the book.easyoffice.co.uk site, taken from the Internet Archive Wayback Machine. Those showed that the website pages on which the above logo was placed did not allow bookings by customers. Rather, customers could only request a viewing of office sites returned by the booking engine, or call a telephone number that was operated by Instant Offices, not easyOffice. As Mr Richardson confirmed, easyGroup did not have a call centre at the time that would have been able to respond to such calls.

275. As to the revenue earned by easyOffice through the Instant Offices arrangement, easyGroup relied on a document headed “Partner statement for easyOffice” which showed commission amounting to a total of £22,783.28 from bookings in 2014, £8,782.94 in 2015, £400 in 2016, £663.08 in 2017 and £1,115.59 in 2018. There is, however, no evidence before me as to where this document came from or how it was prepared, including the sources of information regarding the customer bookings set out in the document.
276. Mr Vanhegan also highlighted, in his written closing submissions, a number of further problems with the interpretation and accuracy of the figures in that document, which Mr Malynicz made no attempt to answer. These included the fact that the document includes a large number of entries which state “false” under the “Paid” column, without any explanation as to what that meant; and the existence of numerous identical entries which appear on their face to be (at least potentially) duplicates.
277. A different record of the commission obtained through the Instant Offices partnership was set out in a spreadsheet created by Ms Kerry Robinson (the easyGroup financial controller) dated 9 January 2020. That showed total net income of £15,087.61 for the period from April 2014 to May 2019. The details given of the underlying figures used in this spreadsheet are, however, even more scant than for the “Partner statement”: the figures given are simply total monthly figures, without any explanation of the underlying sources, let alone any details of the relevant customer bookings.
278. In relation to both documents, there is also no evidence before me explaining whether the commission figures were generated by bookings made through the book.easyoffice.co.uk webpage or some other means.
279. I also note that §8 of the Decision of the Second Board of Appeal of the EUIPO in *easyGroup v Pathway* (Case R 369/2021-2, 15 October 2021), concerning the revocation for non-use of the EU mark EASYOFFICESPACE, recorded that the EASYOFFICESPACE mark was used by easyGroup, including in easyGroup’s partnership with Instant Offices, in a very similar way to the manner in which the easyOffice mark is said to have been used in that partnership. The Board of Appeal in that case held that easyGroup had produced insufficient evidence of the extent of use of the EASYOFFICESPACE mark. The evidence available to it was very similar to the evidence in the present case, and in my judgment the same conclusion is inevitable in the present case.
280. As the Board of Appeal commented at §5, the mere presence of a trade mark on a website says nothing about the extent of use of the mark, and in particular the volume and frequency of transactions that were generated by the use of the mark.

Nor, in the present case, is there even any clear evidence as to the nature of the use of the easyOffice trade mark in the transaction process, and the commission figures provided by easyGroup are ambiguous and unreliable for the reasons just given.

281. It would not have been difficult for easyGroup to produce further evidence, if it existed. In particular, easyGroup could have sought evidence from Mr Smith, the CEO of easyOffice until 2013 (whose witness statements in other proceedings were relied upon as hearsay by easyGroup), or Ms Robinson, who had produced a record of commission earned through the Instant Offices partnership. easyGroup might also have sought further information from Instant Offices, given that the agreement with that company continued until January 2019, only a few months before the present proceedings commenced. There is nothing in the material before me to indicate that it would have been impossible for easyGroup to provide further evidence from these or other sources.
282. Mr Malynicz accepted that there was no witness who could interpret the evidence, but submitted that I should treat the material as a “mosaic” and look at it as a whole, rather than dismissing particular aspects of the evidence for lack of supporting documentation. It is of course necessary to consider all of the available evidence together. But that does not mean that gaping holes can be filled with pure speculation. In the present case there is no solid and objective evidence at all of the nature of the use of the trade mark or the extent of the trade generated on the basis of the mark.
283. In those circumstances the evidence cannot justify a conclusion that there was “real commercial exploitation” and thus genuine use of the easyGroup marks between May 2014 and May 2019, having regard to the principles set out in the cases to which I have referred above.

Use of the trade marks prior to May 2014

284. The question of easyGroup’s use of its marks prior to May 2014 was not addressed at the main hearing, but was the subject of submissions at the April hearing following circulation of my draft judgment. easyGroup accepted that no use had been made of the marks for the specifications other than those relating to rental of offices. Those specifications therefore fall to be revoked from five years after the respective registration dates of the marks, giving revocation dates of 12 September 2008 in the case of UK528A, 30 June 2009 in the case of EU509, and 31 July 2018 in the case of EU376. For the specifications relating to the rental of offices (which are the specifications relevant to these proceedings), easyGroup said that the revocation date should be 31 October 2018, which was five years from the closure of the Old Street branch of easyOffice, on the basis that genuine use had been made of the marks until then.
285. The Defendants’ case was that any genuine use of the marks at the Old Street easyOffice branch had in fact ceased by the end of 2012, such that revocation of the relevant specifications should be ordered to take effect from no later than five years thereafter (or five years after registration in the case of EU376, which was not registered until 31 July 2013).

286. On the material before me, I do not consider that any genuine use of the easyGroup marks for the purposes of the Old Street branch is discernible after 2012. The only evidence before me of any booking during 2013 is an email in September 2013 referring to a booking from one person for 4 weeks until 15 October 2013. As with my conclusions on the limited bookings at the Croydon premises, that single booking does not establish genuine use of the mark, in the context of the characteristics of the sector and the business in question.
287. Mr Malynicz did not seek to rely on the Instant Offices arrangement for the period prior to May 2014, but in any event my findings above apply equally to that period.

Proper reasons for non-use

288. The only point taken by easyGroup in this regard concerns the use of the name easyHub by Citibase, as described at §46 above. easyGroup contended that Citibase agreed with easyGroup to use the name easyHub because it was aware of the litigation between easyGroup and the Defendants, and said that this was a proper reason for non-use of the easyOffice brand.
289. The evidence before me makes clear, however, that the decision to use the name easyHub was taken in 2018, before these proceedings were commenced by easyGroup. While there was of course other litigation pending at that point (in particular Pathway's appeal of the revocation of the BAA marks, and the 2010 invalidity applications stayed pending that appeal), none of that presented the sort of obstacle contemplated by the case-law, making the use of the trade mark "impossible or unreasonable".
290. Indeed, any suggestion that the use of the easyOffice marks was impossible or unreasonable, by the time of the decision to use the name easyHub, is undermined by easyGroup's protestations in these proceedings that it made genuine use of the mark through its arrangement with Instant Offices until January 2019. While I have found that the evidence as to that arrangement does not establish genuine use of the mark, none of the material before me indicated that the pending disputes between the parties in any way actually hindered easyGroup's use of its trade marks during that time.
291. In those circumstances, while the decision to use easyHub for the new venture with Citibase may well have been a sensible commercial decision, it was just that – a commercial decision, and not a decision forced upon easyGroup by external factors such as a legislative prohibition. I do not, therefore, consider that any proper reasons for non-use have been established by easyGroup.

Conclusion on revocation

292. I therefore conclude that all four of the easyGroup marks should be revoked for non-use. The dates for revocation of the UK502 mark and the specifications of the other marks that do not relate to rental of offices are common ground and are as set out above. In relation to the specifications for the UK528A and EU509 marks that relate to office rental, which are the relevant specifications for the purposes of these proceedings, I conclude that those should be revoked from 31

December 2017. For EU376, the earliest possible revocation date is five years after its registration, i.e. 31 July 2018.

293. At the April hearing, Mr Vanhegan floated an argument that in circumstances where (on the basis of my findings above) revocation is regarded as having taken effect prior to the date of the claim form but within the limitation period of six years before the date of the claim form, the court should exercise its power to order revocation from an earlier date. He did not, however, identify any authority for that proposition, and I reject it. There is no reason to ignore the five-year period set out in s. 46(1) TMA and Articles 18(1)/58(1) EUTMR.
294. That may of course have the consequence that damages may be claimed for a historic infringement even if injunctive relief is no longer available. There is nothing inherently objectionable about that, although as the CJEU noted in Case C-622/18 *AR v Cooper International* EU:C:2020:241, §47, the fact that a trade mark has not been used during the period prior to revocation will be an important factor to take into account in determining the existence and extent of any injury sustained by the trade mark proprietor.

Issue (vii): infringement and honest concurrent use

295. The next question is therefore whether Nuclei infringed any of the UK528A, EU509 and EU376 marks during the period from the start of the limitation period (i.e. 15 May 2013, six years before the date of the claim form) until 31 December 2017. Since Nuclei was using the EASYOFFICES sign from before the start of the limitation period, the relevant date for the assessment of infringement is the limitation date of 15 May 2013: see Arnold J in *Walton International v Verweij Fashion* [2018] EWHC 1608 (Ch), §95.
296. easyGroup alleges that Nuclei has infringed the UK528, EU509 and EU376 marks pursuant to both s. 10(1) TMA/Article 9(2)(a) EUTMR, and s. 10(2) TMA/Article 9(2)(b) EUTMR. The Defendants deny infringement on both bases. The issue was the subject of submissions at the main hearing as well as the April hearing.

Section 10(1) TMA/Article 9(2)(a) EUTMR

297. For a claim under s. 10(1) TMA/Article 9(2)(a) EUTMR to succeed, six conditions must be satisfied, as summarised by Arnold J in *Supreme Pet Foods v Henry Bell* [2015] EWHC 256, §83, as follows:

“(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 identical to the trade mark; (v) it must be in relation to goods or services which are identical to those for which the trade mark is registered; and (vi) it must affect, or be liable to affect, one of the functions of the trade mark”.

298. Among the easyGroup marks, the only serious candidates for a claim to identity are the UK528A word marks (EASYOFFICE and easyoffice), and

EU509 which is also a word mark (EASYOFFICE). Those are almost identical to the EASYOFFICES sign used by Nuclei.

299. The Nuclei/Easy Offices business does not, however, fall within the specifications of the UK528A and EU509 marks. The closest that the specifications of the UK528A and EU509 marks come to Nuclei's business are the specifications for the hire or rental of temporary office space. Nuclei does not, however, itself hire or rent office space; rather, it acts as a broker for the rental of serviced offices, providing search facilities for potential consumers to find office rentals provided by the companies listed on Nuclei's website.
300. The brokerage of office rental is of course (as I have already found: §225 above) related to the activity of hiring or renting office space, but that is not sufficient to engage the provisions of s. 10(1)/Article 9(2)(a). As Jacob LJ held in *Avnet v Isoact* [1998] FSR 16, p. 19, in the context of an infringement case, specifications for services are to be scrutinised carefully, and should not be given a wide construction but should be confined to the substance or core of the possible meanings attributable to the relevant word or phrase. Applying that principle in *Sky v Skykick*, the Court of Appeal held that the trial judge had erred in construing a specification for "electronic mail services" as extending to services related to electronic mail, in that case an email migration service. By doing so, the court considered that the core meaning of the specification had been extended "to a rather unclear and indeterminate range of services connected to email in some unspecified way" (§§136–7). The court concluded that an email migration service was not an "ancillary feature" of an email service, but was a different service (§138).
301. The same is true of the services in the present case: a service consisting of the brokerage of serviced office space is not an ancillary feature of the rental of the office space itself, but is a different service entirely. Mr Malynicz argued that anyone visiting the Easy Offices website would understand that this was a "service of office rental". I disagree. While the Easy Offices site advertises offices to rent, nothing on the website indicates that Easy Offices *itself* rents or hires offices. Quite the contrary, the website makes clear that it is a portal to enable people to find office space. That is emphasised by the information given under the heading "About us": "We created Easy Offices for one simple reason. To make it easier for people to find great places to work. To gather every square foot of workspace in the country and put it all under one roof."
302. The Nuclei/Easy Offices service is therefore not identical to the services specified for the UK528A and EU509 marks. Accordingly the claim of infringement under s. 10(1) TMA/Article 9(2)(a) EUTMR fails.

Section 10(2) TMA/Article 9(2)(b) EUTMR: legal principles

303. That leaves the claim of infringement under s. 10(2) TMA/Article 9(2)(b) EUTMR. Again, this requires six conditions to be satisfied. These were summarised by Arnold J in *W3 v easyGroup* [2018] EWHC 7 (Ch), [2018] FSR 16, §229, as follows:

“(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.”

304. There is no doubt that since May 2013 Nuclei/Easy Offices has indeed used in the course of its trade signs that are at least similar to the easyGroup marks. Likewise, the Nuclei/Easy Offices services are similar to the specifications of the UK528A and EU509 marks (albeit not identical, as I have found above), and they fall directly within the specifications for the EU376 mark, which include not only “hire of temporary office space” but also “information, advisory and consultancy services for all the aforesaid services”.
305. There is, however, a dispute as to whether Nuclei’s use of the EASYOFFICES sign, as at May 2013, gave rise to a likelihood of confusion. Mr Malynicz submitted that, at least in relation to easyGroup’s word marks, it was not credible to say that there was no likelihood of confusion. Mr Vanhegan, however, denied confusion on the grounds that by May 2013 almost 11 years had passed since easyGroup’s applications for the UK528A and EU509 marks had been filed, with no evidence of any actual confusion. He also said that he was entitled to rely on a defence of honest concurrent use, either as part of the assessment of confusion or as a separate defence.
306. It is well established that the likelihood of confusion requires a global assessment, taking account of all relevant factors and the “overall impression” created by the marks. Arnold J set out the applicable principles in *W3 v easyGroup*, §231, 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.”

307. That assessment is not the same as the assessment required in relation to the issue of invalidity on the grounds of passing off. In the first place, the test for invalidity on grounds of passing off requires a likelihood of deception, which as discussed above goes beyond mere confusion. What is being compared is also different: in the invalidity context, the comparison is between the notional fair use of the disputed mark applied for and the established prior rights, whereas in the infringement context the comparison is between the registered mark(s) and the use that has actually been made of the disputed sign in context: see comments of Arnold J in *Red Bull v Sun Mark* [2012] EWHC 1929 (Ch), §75. The same point regarding the requirement to take into account the “precise context” in which the disputed sign has been used was emphasised in *W3 v easyGroup* at §211.

308. The assessment of deception for the purposes of invalidity on grounds of passing off is therefore notionally forward-looking, whereas in the case of infringement the assessment of confusion must take account of any relevant evidence of what has actually occurred – *a fortiori* where the case concerns a historic infringement.

309. It is therefore not disputed that the extent of evidence of actual confusion is a matter that will form part of the global assessment of the likelihood of confusion for the purposes of infringement. In particular, a lack of evidence of confusion may contribute to a finding of non-infringement where the extent of side-by-side use of the mark and the disputed sign, and the efforts put into finding evidence of confusion, are such that if there was a likelihood of confusion one might expect more abundant evidence of that to have emerged: *Spear v Zynga* [2015] EWCA Civ 290 [2015] FSR 1919, §181; and *W3 v easyGroup* at §§276–7.
310. An absence of evidence of confusion will, however, be less probative where the mark has only been used to a limited extent, or in such a way that there has been no possibility of confusion, or where the alleged infringer’s use has also been very limited: *Kitchin LJ in Maier v Asos* [2015] EWCA Civ 220, [2015] FSR 20, §80, citing *Laddie J at §22 of Compass Publishing v Compass Logistics* [2004] EWHC 520 (Ch), [2004] RPC 41. (See also more recently, *easyGroup v easyWay* [2021] EWHC 2007 (IPEC), §80.) Where reliance is placed on an absence of evidence of confusion, it is therefore necessary to consider the relevance of that in the context of the use that has been made of the mark and the disputed sign.
311. Turning to the defence of honest concurrent use, the scope of that defence was discussed at length in *IPC Media v Media 10*, and *Victoria Plum v Victoria Plumbing* [2016] EWHC 2911 (Ch), where the courts held that the defence could apply to marks that were similar albeit not identical. At §74 of *Victoria Plum*, Henry Carr J summarised the position as follows:
- “i) Where two separate entities have co-existed for a long period, honestly using the same or closely similar names, the inevitable confusion that arises may have to be tolerated.
 - ii) This will be the case where the trade mark serves to indicate the goods or services of either of those entities, as opposed to one of them alone. In those circumstances, the guarantee of origin of the claimant’s trade mark is not impaired by the defendant’s use, because the trade mark does not denote the claimant alone.
 - iii) However, the defendant must not take steps which exacerbate the level of confusion beyond that which is inevitable and so encroach upon the claimant’s goodwill.”
312. On the question of whether the concurrent use was “honest”, Henry Carr J said at §75:
- “First, the requirement that the use be in accordance with honest practices constitutes the expression of a duty to act fairly in relation to the legitimate interests of the trade mark proprietor. Secondly, all circumstances should be considered when ascertaining whether or not the use is honest, including whether the defendant can be regarded as unfairly competing with the proprietor of the trade mark. Thirdly, an important factor is whether the use of the sign complained of either gives rise to consumer deception or takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark. If

it does, it is unlikely to qualify as being in accordance with honest practices. Fourthly, a likelihood of confusion can be in accordance with honest practices if there is a good reason why such confusion should be tolerated. Finally, whether the defendant ought to have been aware of the existence of substantial confusion or deception is a relevant factor.”

313. Arnold J in *W3 v easyGroup* at §287 doubted whether honest concurrent use was available as a separate defence to a claim under Article 9(2)(b) EUTMR, and insofar as the issue did arise he thought that this was probably a factor to be taken into account as part of the global assessment. On the facts, however, he did not need to reach a conclusion on the point.
314. Given the clear statements of principle in *IPC Media* and *Victoria Plum* Mr Vanhegan submitted that a case of honest concurrent use was open to him under s. 10(2) TMA/Article 9(2)(b) EUTMR, and Ms Wickenden (addressing me on this point at the April hearing) did not seek to demur from that proposition as a matter of principle. She did, however, say that a case of honest concurrent use required particular circumstances that did not arise in this case.
315. On that basis I will proceed on the assumption that a defence of honest concurrent use can in principle be relied upon in a claim under s.10(2)/Article 9(2)(b), where made out on the facts. Consistent with the comments of Arnold J, however, I approach this as something to take into account as part of the global assessment of confusion; this was also the primary way in which Mr Vanhegan put his case on this point.

Section 10(2) TMA/Article 9(2)(b) EUTMR: assessment in this case

316. Visual/conceptual similarity. The starting point in the global assessment in this case must be the degree of visual and conceptual similarity of easyGroup’s marks and Nuclei’s signs. The UK528A word marks and the EU509 word mark are, as I have already found, almost identical to the EASYOFFICES sign used by Nuclei. The black and white figurative mark in the UK528A series is also visually quite similar to some of the logos used by Nuclei from 2011–2019, in the use of a white font on a dark rectangular background. On its own, this would point towards a likelihood of confusion.
317. The analysis is different for the third mark in the UK528A series and the EU376 mark, for essentially the same reasons as discussed above in the context of the discussion of invalidity. Those marks are figurative marks with distinctive orange design elements that are visually very different to the logos used by Nuclei after April 2001. Having regard to the overall impression created by the easyGroup’s figurative marks vis-à-vis Nuclei’s signs, the differences between the design elements point away from a likelihood of confusion.
318. Distinctiveness. As noted in *W3 v easyGroup*, §233, if the similarity between the trade mark and the disputed sign is a common element that is descriptive or otherwise of low distinctiveness, that points against there being a likelihood of confusion. I have commented at §229 above that the black and white figurative mark and word marks are far less distinctive than the orange figurative marks.

That does not of itself preclude confusion, and indeed as I have noted there was no suggestion that this would preclude a finding of invalidity based on prior rights. It is, however, a factor that would tend to lessen the likelihood of confusion in relation to those marks.

319. Similarity of services. As I have already found, while not identical, the services provided by Nuclei are closely related to the specifications of the UK528A and EU509 marks. That factor would tend to support a likelihood of confusion.
320. Evidence of actual confusion. It is striking that there is no evidence of actual confusion as between the EASYOFFICE/EASYOFFICES marks/signs despite side-by-side use of those from 2007 until (on my findings above) around the end of 2012. In terms of evidence from members of the public, the material before me revealed only two emails sent to easyGroup in September and November 2003 querying whether Easy Offices was related to easyGroup. Apart from the very historic nature of those emails, they were obviously not evidence of confusion between the Easy Offices signs and easyGroup's marks, since no reference was made to the latter (unsurprisingly given that the easyOffice business did not launch until four years later).
321. The only other evidence of actual confusion relied upon by easyGroup was an internal Easy Offices email from September 2015, with the comment: "New home page is not converting as well as old one, as mentioned, I think this is more to do with people thinking the old website was Stelios more than this website is." As Mr Vanhegan said, however, that was nothing more than speculation about the attitude of others rather than evidence of actual confusion.
322. Mr Malynicz suggested that evidence of confusion might not have emerged because Nuclei's email records went back only to December 2013, by which time the easyOffice business was – even on his case – far more limited than it had been previously. It is clear, however, that easyGroup was able to conduct searches of its archive of emails going back to at least 2003, despite which no evidence of consumer confusion was found.
323. It is also notable that (as Arnold J also described in *W3 v easyGroup*, §116) there was a "brand thieves" section on easyGroup's www.easy.com webpage from at least November 2002, where easyGroup solicited evidence of confusion from members of the public with the following request:

"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 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."
324. That positive request for evidence of confusion produced various emails that were relied upon in the *W3 v easyGroup* case, and may have generated the two emails in 2003 relied upon in this case, but evidently produced nothing since then relating to Easy Offices.

325. Mr Malynicz suggested that the respective levels of trade were not sufficient for significant numbers of consumers to encounter both business, thereby explaining the lack of evidence of confusion. I do not accept that submission. It is right to say that easyGroup did not make immediate use of the UK528A and EU509 marks following their registration in 2002. However, after the launch of easyOffice's first (High Street Kensington) location in 2007, easyOffice went on to become what Mr Smith's first witness statement described as an "extremely successful" business, whose expansion continued until 2011. Nuclei was also a successful business with major clients among its office space providers (as I have described at §190 above) and thousands of office space customers over the course of the years since it started trading. Mr Abrahams said that Nuclei is one of around five internet brokers who between them deal with 80–90% of customer enquiries for serviced offices. That is inconsistent with Mr Malynicz's attempts to portray it as a "minnow" in the sector.
326. Thus while I have found that there was no genuine use of the easyOffice marks after 2012, the easyOffice business had by then enjoyed over five years of continuous trading alongside the Easy Offices business, and Nuclei itself had been building up its customer base since 2000. There was therefore ample opportunity for evidence of confusion to have emerged, if confusion was likely. In those circumstances the lack of evidence of confusion is, I find, a material factor suggesting that confusion was not likely.
327. The parties' views as to confusion. Mr Vanhegan relied on the fact that easyGroup apparently took the view that there was no confusion between the two businesses, since it wrote to Nuclei's solicitors on 4 October 2007 (see §57 above) that:
- "Provided your client's business remains branded distinctly from our 'easy' businesses, any protectable goodwill will remain undamaged, since there is no scope for confusion between our respective businesses."
328. That letter, however, responded to a letter from Nuclei's solicitors on 18 September 2007 which asserted that:
- "It is clear that you are offering and intend to offer a service which is identical or similar to our client's service, using a name that is actually or very nearly identical to our client's. ... Our client cannot allow the inevitable likelihood of confusion and association between our client's services and your services."
329. It is apparent that both parties were, at the time, adopting the opposite position to that advanced for the purposes of the present issue of infringement, unsurprisingly since what was at issue at the time was the question of whether easyGroup was passing off by using the name easyOffice. The positions that they took in correspondence on that point were inevitably self-serving; and in any event as I have noted above the analysis of confusion for the purposes of infringement is somewhat different to the analysis required in relation to passing off/invalidity. I do not, therefore, think that I can place significant weight on this correspondence one way or the other.

330. Honest concurrent use. The circumstances that I have described above give rise, in my view, to a strong case of honest concurrent use. Nuclei adopted the name Easy Offices several years before easyGroup applied for the UK528A and EU509 marks, and long before the easyOffice business was launched. As described at §§48–54 above, when contacted by easyGroup in 2001 Mr Abrahams agreed not to use an orange and white livery (or any “confusingly similar” livery), and his logos thereafter moved well away from the design elements that characterised the “easy” company brands. There is, as set out above, no evidence of consumer confusion between the EASYOFFICE and EASYOFFICES marks/signs over the course of a number of years when they were used concurrently. Nor is there any evidence before me suggesting that Nuclei’s use of the EASYOFFICES signs has taken unfair advantage of or has been detrimental to the character or reputation of the easyGroup marks.
331. Overall assessment. In relation to the third mark in the UK528A series and the EU376 mark, the assessment of infringement is very straightforward: the designs of the marks are very different to Nuclei’s logos; that combined with the lack of evidence of confusion clearly indicates that there was no likelihood of confusion. For those marks I have no hesitation at all in finding that there was no infringement, without needing to consider honest concurrent use.
332. In relation to the other marks, the position is more finely balanced, and there are factors pointing in both directions. Overall, however, I have come to the conclusion that despite the similarity of both the marks/signs and the services offered by the parties, the absence of any concrete evidence of confusion in circumstances of over five years of side-by-side use indicates that confusion was not in fact likely; and to the extent that there was confusion, it was such as should be tolerated given the honest concurrent use by Nuclei of the EASYOFFICES sign. I therefore conclude that there was also no infringement in relation to the remaining easyGroup marks.

Issue (viii): other defences to infringement

333. If I had found that the use by Nuclei of the signs set out at §28 above did in principle infringe any of easyGroup’s marks, it would have been necessary to determine the other asserted defences to infringement. I will express my views on those briefly for completeness.

Non-use

334. At the April hearing Mr Vanhegan suggested that pursuant to the non-use defence in s. 11A TMA, an infringement claim is barred if the relevant trade marks relied upon are deemed to have been revoked as at (or before) the date of the claim form. He accepted that the EUTMR does not contain an explicit equivalent to this provision, but reserved his position on that if this case were to go further. At its highest, therefore, any such defence would for present purposes only apply to the UK528A marks, but in any event I reject it. Section 11A prevents a trade mark proprietor from prohibiting the use of a sign where the relevant trade mark is liable to be revoked as at the date of the action for infringement, but it does not say anything about the extent to which damages may be claimed for a historic infringement.

Consent

335. The Defendants contended that the correspondence in 2001 leading to the undertakings given by Nuclei amounted to consent by easyGroup to Nuclei's use of the Easy Offices sign. That can also immediately be rejected. While consent is certainly a bar to a claim of trade mark infringement (pursuant to s. 9(1) TMA and Article 9(2) EUTMR), the facts must show "unequivocally" that the trade mark proprietor has renounced its rights in the relevant trade marks: see e.g. *Lifestyle Equities v Sportsdirect* [2018] EWHC 728 (Ch), [2018] ETMR 25, §§122–3. There was no such unequivocal consent in the present case, given that easyGroup repeatedly reserved its rights in the 2001 correspondence, and continued to do so in the continuing correspondence in 2002–2003.
336. In addition, the defence is one of consent by the trade mark proprietor to use a particular registered trade mark. At the time of Nuclei's undertakings in 2001 (and the correspondence preceding the giving of those undertakings), easyGroup was not the proprietor of any of the trade marks alleged to be infringed in these proceedings. The applications for the UK528A and EU509 marks were not filed until October 2002, and the UK502 mark (albeit not relevant for the reasons already explained) was acquired by easyGroup around the same time: §33 above. The EU376 mark was not sought until March 2013. At the time of the 2001 correspondence, therefore, easyGroup was clearly not consenting to the use of any trade mark; and the fact that easyOffice trade marks were subsequently acquired by it cannot retrospectively change the characterisation of that correspondence.
337. The Defendants also suggested that consent could be implied from easyGroup's failure to take action to prevent Nuclei's trade under the EASYOFFICES, as relied on for the defence of laches/acquiescence/estoppel (discussed below). I do not, however, consider that easyGroup's inactivity was an "unequivocal" renunciation of its own trade mark rights so as to meet the standard for consent.

Laches/acquiescence/estoppel

338. The Defendants' final asserted defence was laches or common law acquiescence or estoppel arising from the delay in bringing the present proceedings. Mr Vanhegan pointed out that easyGroup has known of Nuclei's use of a variety of signs for Easy Offices since at least 2001, resulting in the 2001–2003 correspondence. Following that correspondence, and the undertakings agreed by Mr Abrahams in 2001, easyGroup took no action to restrain Nuclei's use of EASYOFFICES signs until the present proceedings were commenced in May 2019 – almost 17 years after easyGroup applied for the UK528A and EU509 trade marks.
339. As a matter of principle, had I needed to decide this point, I would have had considerable sympathy with the Defendants' position on (at least) acquiescence as a matter of common law. The relevant principle was set out by Mummery LJ in *Fisher v Brooker* [2008] Bus LR 1123, §53 as follows:

“A defence of acquiescence is available where a person is aware that his rights are being breached and is in a position to complain about

the breach, but does not protest or do anything about it. He stands by. The longer he does nothing, the stronger the evidence that he has assented to what has been done or to what is still being done. His failure to protest or to do anything leads the other party, who might have stopped doing what he was doing if he had received an earlier objection, to believe that there is no objection to what he has done, or, where the inactivity of the claimant goes on for a long time, to continuing to do what he has been doing. There comes a point at which the court can hold that it is too late to assist the claimant's enforcement of his rights, because it is unreasonable and unjust for him to complain about their infringement. The longer the time that passes before the claimant takes action, the stronger the evidence of acquiescence in the continuing activities of the defendants and the greater the difficulty in turning the clock back to the time when the claimant first had an opportunity to protest and seek redress for the infringement of his rights."

340. easyGroup said that acquiescence could not be established in circumstances where easyGroup had opposed Nuclei's registration of Easy Offices trade marks in 2007 and 2008. I do not accept that point: opposing a registered mark is not the same as opposing the continued use of an unregistered mark.
341. Ultimately, however, it was common ground before me at the April hearing that on the case-law as it stands common law defences such as acquiescence are not available in relation to allegations of registered trade mark infringement: *Cormeton Fire Protection v Cormeton Electronics* [2021] EWHC 11 (IPEC) §129, citing *Marussia v Manor Grand Prix* [2016] EWHC 809 (Ch), and *Coreix v Coretx* [2017] EWHC 1695 (IPEC). At this stage, therefore, these defences do not arise. Mr Vanhegan reserved his position on that should this case go further.

Issue (ix): joint tortfeasorship

342. Given my findings on infringement, this does not arise. Had it been necessary to decide the point, however, there would in my judgment have been no doubt that the second to fourth Defendants should be liable as joint tortfeasors alongside Nuclei.
343. In *Sea Shepherd v Fish & Fish* [2015] ACT 1229, Lord Sumption at §37 and Lord Neuberger at §55 confirmed that a defendant will be liable as a joint tortfeasor if (i) it has assisted in the commission of an act by the primary tortfeasor, (ii) pursuant to a common design with that person that the act be committed, and (iii) the act constitutes a tort as against the claimant.
344. In this case, if there had been an infringement, the third of those conditions would plainly be satisfied. As to the other conditions and the involvement of the second to fourth Defendants, Regus acquired Nuclei with the intention that it trade as Easy Offices; Pathway was at the relevant time the intellectual property holding company for the IWG group; and IWG is the ultimate parent company of the IWG group. Pathway was, throughout the relevant period, closely involved in the use by Nuclei of the Easy Offices name, being the assignee of the BAA marks and

the entity that applied to invalidate the UK502, UK528A and EU509 marks in 2010.

345. The Defendants argued that the second to fourth Defendants did not play any part in the day-to-day control of Nuclei. That is in my judgment not decisive, in circumstances where Regus (and therefore indirectly IWG) acquired Nuclei, and continued to invest in defending Nuclei's rights to trade as Easy Offices, including by the activities of Pathway. In any event, however, as I have described above Mr Regan (who has been the Regus/IWG group Company Secretary since 2003) controlled the global trade mark portfolio of the group. Mr Abrahams' evidence was that he left trade mark matters to Mr Regan, and Mr Regan confirmed that in his evidence. The group companies were therefore directly involved in Nuclei's business in a key respect relevant to these proceedings.
346. These facts, taken together, support the conclusions that the second to fourth Defendants assisted in Nuclei's continued use of the Easy Offices name and signs, pursuant to a common design that Nuclei should continue to do so. Insofar as that amounted to an infringement, therefore, joint tortfeasorship on the part of the second to fourth Defendants is established.

Conclusions

347. My conclusions, by reference to the issues set out at §73 above, are as follows:
- i) The UK's departure from the EU does not affect either the court's jurisdiction to determine issues relating to the EU trade marks in these proceedings, or the substantive assessment relating to those trade marks, in circumstances where the present proceedings were pending before the end of the transition period.
 - ii) The Defendants' challenges to the validity of the UK528A mark are barred on the grounds of the principle in *Henderson v Henderson* and abuse of process. The same would also apply to the UK502 mark if that were not in any event liable to be revoked for non-use, as was not disputed. The Defendants' challenge to the validity of the EU509 mark is not precluded by Article 60(4) EUTMR, but is (as with UK528A) barred on grounds of the domestic procedural rule of abuse of process, which continues to be applicable under Article 129(3) EUTMR. The invalidity issues therefore only arise in relation to EU376.
 - iii) In relation to EU376, Nuclei had acquired goodwill before the application for this mark was filed, but I have concluded that there was no relevant misrepresentation by the use of that mark. It was therefore not invalid on the grounds of Nuclei's prior rights. By contrast, if it had been necessary to consider the invalidity of UK528A and EU509, I would have found them to be invalid on the grounds of Nuclei's prior rights, save for the third mark in the UK528A series in relation to which my conclusions would have been the same as for EU376 (for similar reasons).
 - iv) Neither the EU376 mark nor (if necessary to consider these) the UK528A and EU509 marks were registered in bad faith.

- v) The issue of statutory acquiescence does not arise on my primary findings. But if I had found that the easyGroup marks were in principle invalid on either relative or absolute grounds, I would have rejected easyGroup's submission that the Defendants acquiesced in the use of those marks.
- vi) All four of the easyGroup marks should be revoked on the grounds of lack of genuine use, with effect from 6 December 2007 for the UK502 mark, 31 December 2017 for the relevant specifications for the UK528A and EU509 marks, and 31 July 2018 for the EU376 mark.
- vii) Nuclei's use of its EASYOFFICE signs did not infringe easyGroup's marks pursuant to s. 10(1) TMA/Article 9(2)(a) EUTMR, since there was no identity of marks and services. Nor was there infringement pursuant to s. 10(2) TMA/Article 9(2)(b) EUTMR, having regard to (among other things) Nuclei's honest concurrent use of the EASYOFFICES signs.
- viii) It is therefore not necessary to determine the other defences raised by Nuclei. Had it been necessary to consider those, however, I would have rejected the defences of non-use and consent. The common law defences of laches/acquiescence/estoppel are not available for the reasons set out above, but had they been available I would have found there to be acquiescence by easyGroup in Nuclei's use of the EASYOFFICES signs.
- ix) It is likewise not necessary to determine the issue of joint tortfeasorship, Had it arisen, I would have found that the second to fourth defendants should be liable as joint tortfeasors alongside Nuclei.