Neutral Citation Number: [2023] EWHC 1195 (Ch)

Case No: IL-2019-000092

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

Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL
Date: 25/5/2023

Before:

MASTER CLARK

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Between:

EASYGROUP LIMITED		**Claimant**
- and –		
(1)	**ER TRAVEL SERVICES LIMITED (now dissolved)**	
(2)	**ER CAPITAL LIMITED**	
(3)	**ER TRAVEL LLC (a company incorporated under the laws of Florida, USA)**	
(4)	**PAUL JOHN HANLEY**	
(5)	**NICHOLAS EDWARD HANLEY**	
(6)	**JAYBANK LEISURE LIMITED**	**Defendants**

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Stephanie Wickenden (instructed by **Stephenson Harwood LLP**) for the **Claimant**
David Ivison (instructed by **ABH Law Limited**) for the **Second to Fourth Defendants**
The **Fifth Defendant** in person and, with the permission of the Court on behalf of the **Sixth Defendant**

Hearing date: 10 May 2023

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Approved Judgment

I direct that this approved judgment, sent to the parties by email at 10am on 25 May 2023, shall deemed to be handed down on that date, and copies of this version as handed down may be treated as authentic.

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Master Clark:

1. In this trade mark infringement and passing off claim, some of the defendants are alleged to be liable as joint tortfeasors. At the CCMC, the question arose as to whether the issues thereby arising ("the joint liability issues") should be tried at the trial of liability or at the trial of quantum. This is my judgment on that question.

Parties and the claim

2. The claimant runs and/or owns the brands of several businesses which trade under the name comprising the word "easy", together with a second word which alludes to the key goods or services offered under the mark. It is the registered proprietor of many EU and UK trade marks, including easyJet, easyCar, easyBus and easyVan. In its particulars of claim it relies upon 16 of those marks ("the claimant's marks"); although, following my order made at the CCMC, at trial it will only rely upon 4 marks, and up to 3 categories of goods/services for each mark.

3. The first defendant, ER Travel Services Limited, was incorporated on 5 May 2009 under the name Easiassist Limited. It was, on the second to fourth defendants' case, the successor in title to a business which began trading in 1997 in Lancashire as a small car and van hire company under the name Easirent.

4. Until 27 February 2020, when it entered into administration, the first defendant continued to trade in the business of car and van rental under the brands "Easirent" and "Easirentvans" in the UK and other countries in the EU. It obtained registration of a number of UK and EU trade marks in respect of Easirent. It was dissolved on 3 June 2022.

5. The second defendant, Drivalia Limited (formerly ER Capital Limited), was incorporated on 29 October 2012 under the name EASIIP Limited.

6. In about December 2019[1], the first defendant assigned[2] its intellectual property including 2 trade marks ("the defendants' marks") to the second defendant. From the date of the assignment, the second defendant took over the first defendant's business and continued to operate it until, at the latest, 23 January 2023.

7. The third defendant, ER Travel LLC, is a public limited company, incorporated in Florida. The defendants' case is that on 23 July 2021 it entered into an agreement (to which Leasys S.p.A., the sole shareholder in the second defendant was also a party) ("the Leasys agreement"), under which the second defendant agreed to assign to it by 23 January 2023 the defendants' marks, Easirent domain names and goodwill in its Easirent business. This agreement was not in evidence before me. The claimant also alleges that it provides for the sixth defendant to use the Easirent signs and domain names.

8. The fourth defendant, Paul John Hanley, is a former director of and shareholder in the first, second and sixth defendants. He is also registered as an officer of the third defendant.

9. The second to fourth defendants are legally represented and appeared by counsel. Except where the context indicates otherwise, I refer to the second to fourth defendants as "the defendants".

10. The fifth defendant, Nicholas Edward Hanley, is the father of Paul Hanley. He is a former director of and shareholder in the first and sixth defendants, and a former shareholder in the second defendant. He is acts in person, and has filed a defence on behalf of himself and the sixth defendant.

11. The sixth defendant, Jaybank Leisure Limited, is an English company, whose sole shareholder and sole director is Mrs Kathryn Hanley, Paul Handley's mother. The sixth defendant is shown as the contracting party on the current website of the Easirent business.

12. The claims can be summarised as follows:
    (1) trade mark infringement under s.10(1)[3] by use of the sign "easycar" or "easy car" as a keyword for searches using Google;

[1] This the date alleged by the claimant. Although this is admitted in D2-D4's defence (at para 2), para 9A of the defence alleges that the date of the assignment was 27 February 2020.
[2] The claimant puts the defendants to proof as to the validity of the assignment.
[3] References to sections are to the Trade Marks Act 1994

(2) trade mark infringement under s.10(2) and s.10(3) by use of signs including the sign "EASIRENT" which are alleged to be similar to the claimant's marks;
(3) passing off, based on the claimant's goodwill in "easyJet", "easyCar", "easyBus", "easyVan", "easyRentacar", and/or goodwill in the mark "easy" used as a prefix in a composite mark when used in relation to goods and/or services in the UK; and
(4) a declaration that 2 registered trade marks currently owned by the second defendant for the word mark "Easirent" are invalid.

13. The second to fourth defendants counterclaim for:
(1) revocation of some or all of the relied upon specifications for 14 of the claimant's marks; and
(2) declarations of invalidity in respect of the claimant's marks, except those filed before July 1997, 14 November 1999, or such other date as at which the Court finds that those defendants had acquired protectable goodwill in the sign Easirent.

Joint liability issues

14. These are in summary:
(1) *Second defendant's liability for first defendant's infringing acts*
Whether the first defendant's infringing acts (if any) between the date of the assignment of its marks to the second defendant and 27 February 2020 (the date when it went into administration) were carried out pursuant to a common design between the first and second defendant.
(2) *Second to sixth defendants' liability for acts of second and/or sixth defendants*
If the second and/or sixth defendants have carried out infringing acts by trading using the sign Easirent, whether they did so pursuant to a common design between the second to sixth defendants.
(3) *Second to sixth's defendants' liability for threatened acts of second and/or sixth defendants*
If the second and/or sixth defendants have threatened to carry out infringing acts, whether they did so pursuant to a common design between the second to sixth defendants.

15. The allegations at (2) and (3) above appear to be based, at least in part, upon the Leasys agreement.

Legal principles

16. The decision as to the stage of the claim at which issues are to be tried is a discretionary case management decision, the court's discretion to be exercised in accordance with the overriding objective. I have in mind the guidance of Briggs J in *Lexi Holdings Plc v*

Pannone & Partners [2009] EWHC 3507 (Ch) at [4], in the context of whether to order a preliminary issue:

> "questions of case management, questions of cost, delay and the use of the parties' and the court's resources must come first and foremost in the consideration whether any particular issue should be dealt with as a preliminary issue."

Analysis

17. The claimant's counsel submitted that it was the norm for joint liability issues to be tried at the liability stage. This may well be the case, but is not of itself a reason to do so. It reflects, however, that case management considerations usually but not always result in that outcome. The defendants' counsel provided 3 examples of cases in which joint liability issues had been adjourned to the quantum hearing (on at least one occasion by consent), although the basis of that allocation was not clear. My task is to consider the case management factors in this case.

18. I consider that the following factors are relevant.

19. First, it was common ground that very few IP cases proceed to a trial of quantum. If the claimant succeeds on primary liability, then dealing with the joint liability issues at the liability stage will increase the prospects of settlement, by reducing the number of issues on which the parties would need to reach agreement. The fact that, as the defendants' counsel submitted, the defendants (or some of them) might well concede the allegations of joint liability for pragmatic reasons does not alter this position.

20. Secondly, although costs savings might be achieved by postponing determination of the joint liability issues (because if the claimant failed on primary liability, then the joint liability issues would not need to be determined), this is not, in my judgment, sufficient of itself; and the savings would only occur if the claimant lost on primary liability. Although the defendant's counsel's skeleton argument contained submissions directed towards the weakness of the claimant's case, he did not submit that I was able to or should take into account its prospects of success in deciding when the joint liability issues should be determined. On the other hand, if the claimant succeeds on primary liability, then there will be no costs savings (and as discussed below, some increase in costs) by deferring the joint liability issues to the quantum stage.

21. Thirdly, the additional costs of determining the joint liability issues at the liability trial stage, are not great in relation to the overall costs of the claim. Although the joint liability issues are fact sensitive issues, the scope of factual dispute in this case is relatively limited. The claimant's pleaded case is based on:

(1) the inferences properly to be drawn from largely undisputed facts. e.g. since the first defendant was using the defendants' marks when the second defendant owned then, then it is to be inferred that the second defendant licensed it to do so;
(2) the terms of the Leasys agreement; and
(3) the fact that the fourth and fifth defendants are or were, as the case may be, controlling shareholders and directors of the first, second, third and sixth defendants.

In this context, it important to note that there are no allegations of primary infringement against the fourth and fifth defendants.

22. Thus, the joint liability issues will not, in my judgment, require extensive factual inquiry. As to disclosure, the parties have agreed that the defendants should give Model B disclosure on the joint liability issues, so that those costs are unlikely to be high.

23. As to the witnesses of fact, the main witness for the defendants, the fourth defendant, will give evidence both as to primary and joint liability. It is likely to save time (and costs) if his witness statement deals with both sets of issues, and if he is cross-examined on both of them on the same occasion.

24. As to the trial length, the defendants' counsel's position was that it would be reduced by one day if the joint liability issues were removed. The claimant's position was that they added 1 to 2 hours to the length of the hearing. Since the burden of proof is on the claimant on these issues, and it will be cross-examining the fourth defendant on them, I consider its estimate to be more likely to be accurate.

Conclusions

25. Taking into account the factors set out above, I conclude that trying the joint liability issues at the liability stage will enhance settlement by reducing the issues between the parties, and that this benefit is not outweighed by the additional costs of doing so, which costs may well be incurred in any event at the quantum stage. I therefore decline to direct that the joint liability issues be determined at the quantum stage.