



Neutral Citation Number: [2023] EWHC 1914 (IPEC)

Case No: IP-2020-000138

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY ENTERPRISE COURT

Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL

Date: 26 July 2023

Before :

HIS HONOUR JUDGE HACON

Between :

CRAFTS GROUP LLC

Claimant

- and -

(1) M/S INDEUTSCH INTERNATIONAL

(2) M/S KNITPRO INTERNATIONAL

Defendants

Michael Edenborough KC (instructed by **White & Black Limited**) for the **Claimant**
Guy Hollingworth (instructed by **Wiggin LLP**) for the **Defendant**

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This judgment was handed down remotely at 10.30am on 26 July 2023 by circulation to the parties or their representatives by e-mail and by release to the National Archives.

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Approved Judgment**Judge Hacon :****Introduction**

1. This judgment is supplemental to that handed down in these proceedings on 16 June 2023 (“the Main Judgment”). It is given at the request of the defendants.
2. In an email dated 15 June 2023, the claimant’s counsel sought permission from this court to appeal the Main Judgment. He identified two grounds:
 - “1. The Court should have found that, as there were no pending proceedings under EUTMR Article 124 as at IP Completion Day, this Court was not sitting as an EU trade mark Court prior to IP Completion Day and therefore has no jurisdiction after IP Completion Day over EU Trade Marks. Consequently, this Court has no jurisdiction to grant an application under EUTMR Article 132, or exercise any other power under the EUTMR.
 2. By reason of the previous ground, the discretion to grant a stay on case management grounds was exercised on a flawed basis.”
3. I refused permission to appeal for the reasons stated in Form N460.
4. The claimant has since filed a Notice of Appeal in the Court of Appeal. Four grounds for permission to appeal are advanced. Grounds 1 and 3 are materially the same as those in the email of 15 June 2023 quoted above. Grounds 2 and 4 are new, each of which alleges a failure in the Main Judgment to give reasons.
5. My attention has been drawn by the defendants to the following guidance from the Court of Appeal in *English v Emery Reimbold & Strick Ltd* [2002] EWCA Civ 605. Lord Phillips MR, giving the judgment of the Court, said:

“[25] Accordingly, we recommend the following course. If an application for permission to appeal on the ground of lack of reasons is made to the trial judge, the judge should consider whether his judgment is defective for lack of reasons, adjourning for that purpose should he find this necessary. If he concludes that it is, he should set out to remedy the defect by the provision of additional reasons refusing permission to appeal on the basis that he has adopted that course. If he concludes that he has given adequate reasons, he will no doubt refuse permission to appeal. If an application for permission to appeal on the ground of lack of reasons is made to the appellate court and it appears to the appellate court that the application is well founded, it should consider adjourning the application and remitting the case to the trial judge with an invitation to provide additional reasons for his decision or, where appropriate, his reasons for a specific finding or findings. Where the appellate court is in doubt as to whether the reasons are adequate, it may be appropriate to direct that the application be adjourned to an oral hearing, on notice to the respondent.”
6. Although the claimant referred to *English* in its skeleton argument before the Court of Appeal, it has not sought additional reasons from this court. However, the defendants have. I will therefore expand on the reasons given in the Main Judgment. To maintain

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brevity, I will assume that this judgment is read together with the Main Judgment, including the relevant statutory provisions and the definitions of terms.

Jurisdiction under the Trade Mark Regulation

7. Ground 2 for permission to appeal made before the Court of Appeal is:

“... the Judge failed to give reasons for holding that the Court has jurisdiction under the EUTMR.”

8. The EUTMR is Regulation (EU) 2017/1001, referred to in the Main Judgment as “the Trade Mark Regulation”.

Before the departure of the UK from the EU

9. The Trade Mark Regulation creates the legal framework which governs EU trade marks. It explicitly leaves certain aspects of that governance to national law.

10. Art.123 of the Trade Mark Regulation requires Member States to designate national courts as EU trade mark courts. The (UK) Community Trade Mark Regulations 2006 (“the 2006 Regulations”) were made in the exercise of powers conferred on the Secretary of State by s.52 of the 1994 Act. Regulation 12 of the 2006 Regulations provided that in England and Wales, the High Court is designated as a Community trade mark court (now an EU trade mark court). This court, as a specialist list within the High Court, was therefore an EU trade mark court – at the least until IP completion day.

11. Art.124 of the Trade Mark Regulation (set out in the Main Judgment at [20]) gives to EU trade mark courts exclusive jurisdiction for the actions, counterclaims and applications for declarations listed in that article, among which are infringement actions:

“and – if they are permitted under national law – actions in respect of threatened infringement relating to EU trade marks”.

12. Thus, if the national law of the Member State of an EU trade mark court allows actions for unjustified threats of infringement of EU trade marks, the EU trade mark court has jurisdiction over such actions, which will be determined according to its national law.

13. Regulation 6(1) of the 2006 Regulations made available under the laws of the UK an action of unjustified threats of proceedings for infringement of an EU trade mark. Such threats fell to be determined under the terms of s.21 of the 1994 Act:

“6. (1) The provisions of section 21 apply in relation to a Community trade mark as they apply to a registered trade mark.”

14. The change of name – Community trade mark to EU trade mark – introduced by the Trade Mark Regulation was never reflected in the 2006 Regulations, but it makes no difference.

15. It follows from the foregoing that when the claimant brought its claim in this court for unjustified threats on 11 December 2020, this court had jurisdiction over that claim as an EU trade mark court pursuant to art.124(a) of the Trade Mark Regulation and

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reg.6(1) of the 2006 Regulations. The merits of the claim are to be decided pursuant to s.21 of the 1994 Act.

After the departure of the UK from the EU

16. For the reasons given in the Main Judgment at [51] to [55], the jurisdiction of this court to sit as an EU trade mark court following the UK's departure from the EU is governed by art.67(1)(a) of the Withdrawal Agreement (set out in the Main Judgment at [30]).
17. Art.67(1)(a) provides that the provisions of the Trade Mark Regulation regarding jurisdiction shall apply in respect of (a) legal proceedings instituted before IP completion day and (b) proceedings or actions which are related to such legal proceedings pursuant to arts.29-31 of Council Regulation (EC) 4/2009 ("Brussels I Recast").
18. The provisions of the Trade Mark Regulation regarding jurisdiction are those which fall under Chapter X (see the Main Judgment at [34]), including arts.123 and 124.
19. Accordingly, as held in the Main Judgment, this court has continued jurisdiction as an EU trade mark court in respect of proceedings or actions regarding EU trade marks instituted before IP completion day. This court also has continued jurisdiction in respect of proceedings related to such pending proceedings – related within the meaning of arts.29-31 of Brussels I Recast.
20. Legal proceedings between the present parties regarding EU trade marks were instituted before IP completion day, namely those issued by the claimant on 11 December 2020 alleging unjustified threats of infringement of the EU Chevron and Symfonie Marks, contrary to s.21 of the Trade Marks Act 1994. It follows that in respect of those proceedings this court continues to have jurisdiction under the Trade Mark Regulation, sitting as an EU trade mark court.
21. As discussed in the Main Judgment at [50], the Chancellor in *Easygroup Ltd v Beauty Perfectionists Ltd* [2021] EWHC 3385 (Ch) explained why there is no other obstacle to this court continuing to sit as an EU trade mark court after IP completion day.
22. It was not in dispute that if this court has continued jurisdiction in relation to the threats actions, it also has continued jurisdiction in relation to the remaining claims in respect of the EU Chevron and EU Symfonie Marks since they are related within the meaning of art.30 of Brussels I Recast.
23. The UK provisions implementing the transitional provisions of art.67(1)(a) of the Withdrawal Agreement were neither raised in argument at the trial nor, therefore, referred to in the Main Judgment. However, I will set them out here.
24. Reg.6, like the remainder of the 2006 Regulations, lapsed on the repeal of s.52 of the 1994 Act pursuant to the Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 ("the 2019 EU Exit Regulations"), schedule 3, para. 11. This happened on IP completion day but was made subject to the transitional and saving provisions specified in para.7 of schedule 5 of the 2019 EU Exit Regulations. That paragraph provides, so far as is relevant:

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“7. (1) Subject to paragraph 8, any application or proceeding under the 1994 Act which was made or commenced before the coming into force of these Regulations shall be dealt with under the 1994 Act as it had effect before regulation 4 came into force.

...

(2) The repeal of section 52 of the 1994 Act (Power to make provision in connection with the European Union Trade Mark Regulation) does not affect any proceedings which are pending on the coming into force of these Regulations before the EU trade mark courts designated by regulation 12 of the Community Trade Mark Regulations 2006 insofar as such proceedings relate to the application and enforcement of a European Union trade mark in the United Kingdom.”

25. The provisions of paragraph 8 of the same schedule govern certain opposition and invalidation proceedings and are not relevant. Paragraph 7 of the schedule must be construed to be in compliance with art.67(1)(a) of the Withdrawal Agreement.
26. The claimant’s action for unjustified threats brought on 11 December 2020 is treated as an action under the 1994 Act, specifically s.21. It follows from both art.67(1)(a) of the Withdrawal Agreement and para. 7 of schedule 5 of the 2019 EU Exit Regulations that this court continues to have jurisdiction as an EU trade mark court in relation to that action and related actions.

Whether art.132(1) of the Trade Mark Regulation is engaged

27. Art.132(1) of the Trade Mark Regulation (set out in the Main Judgment at [19]) falls under Chapter X of the Trade Mark Regulation. This court is obliged to apply art.132(1) in respect of any action before the court relating to the EU Chevron Mark currently being litigated before the EUIPO – but of course only if art.132(1) is engaged.
28. The claimant’s complaint of a lack of reasons in its Ground 2 notionally concerns only whether this court ever had jurisdiction to sit as an EU trade mark court with regard to the claimant’s action for unjustified threats. For the reasons I have given, it did before IP completion day and continues to do so. However, bundled within that complaint is a significant proposition which has nothing to do with jurisdiction. It is that art.132(1) of the Trade Mark Regulation is not engaged because the action brought by the claimant before IP completion day in respect of threatened infringement proceedings is not a species of action listed in art.124 of the Trade Mark Regulation.
29. Art.124 is set out in the Main Judgment at [20]. An action for threatened infringement proceedings regarding EU trade marks is plainly listed under paragraph (a) of art.124. Therefore art.132(1) is engaged in relation to the claimant’s claim for unjustified threats in respect of the EU Chevron Mark. It is also engaged in relation to the related legal proceedings, namely the claims for infringement, revocation and a declaration of invalidity in respect of the EU Chevron Mark.
30. As clearly implied by paragraphs [22] and [56] of the Main Judgment, I disagree with a contrary view expressed in the Karet Judgment at [61]. In my opinion, the clear

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wording of art.124(a) of the Trade Mark Regulation provides a cogent reason not to follow Mr Karet's shortly stated view.

The effect of art.132(1) in the present case

31. As explained in the Main Judgment at [7], the claimant has initiated an application before the EUIPO for cancellation of the EU Chevron Mark. Therefore art.132(1) of the Trade Mark Regulation requires this court to stay actions referred to in art.124 relating to the EU Chevron Mark (other than an action for a declaration for non-infringement) unless special grounds apply. It was common ground that there are no special grounds.
32. As stated in the Main Judgment at [56], this court was obliged to stay the counterclaim for infringement of the EU Chevron Mark, the claim for threats in so far as it relates to the EU Chevron Mark and the claims for revocation and a declaration of invalidity in relation to the EU Chevron Mark.

Stay under case management grounds

33. The claimant's ground 4 in the Grounds of Appeal filed in the Court of Appeal is:

“To the extent the Judge's indication in refusing PtA that he would have granted the stay on case management grounds in any event is material, he failed to give any reasons for such indication. The judge did not consider, and so gave no reasons as to, whether he would have granted a stay of the entirety of the claim on case management grounds solely in the absence of a stay under Art 132.”
34. For the avoidance of doubt, I take the view that the reasons for staying the proceedings on case management grounds set out in the Main Judgment at [59] to [73] apply to all the claims before the court, including those claims which the court was obliged to stay pursuant to art.132(1) of the Trade Mark Regulation.
35. This is a case management decision. As stated in Form N460, although I would have given permission to appeal had the issues under the Trade Mark Regulation arisen in isolation, those issues are swept up in my decision on case management grounds. For that reason, permission to appeal was refused.