



OUTER HOUSE, COURT OF SESSION

[2019] CSOH 86

A280/18

OPINION OF LORD DOHERTY

In the cause

THE UNIVERSITY COURT OF THE UNIVERSITY OF ST ANDREWS

Pursuer

against

STUDENT GOWNS LTD

Defender

Pursuer: O'Brien; Thorntons Law LLP

Defender: Pickard; CMS

8 November 2019

Introduction

[1] In this intellectual property cause the pursuer seeks interdict against the defender infringing the pursuer's United Kingdom trade mark for the signs "University of St Andrews", "St Andrews University", or "The University of St Andrews" in relation to the sale by the defender of gowns to the pursuer's students; and from passing off its gowns as those of, or authorised by, the pursuer.

[2] The defender is a company incorporated in England and Wales and it has its registered office and place of business in London. In the defences it has taken pleas of no

jurisdiction and *forum non conveniens*. The matter came before me for a preliminary proof before answer restricted to those matters.

The pleadings

[3] The pursuer avers that at about the beginning of the 2018 academic year the defender began marketing for sale a purported version of a St Andrews undergraduate gown which it stated was made to University specifications; that it marketed the gown on its website and on Google and Amazon; and that in doing so it used the protected signs. It also avers that in September 2018 employees of the defender came to St Andrews where they marketed and sold the defender's gowns to students representing that they were made to University specifications. It avers that the defender's actions have caused confusion among undergraduate students. It maintains that the defender has infringed the pursuer's trade mark, and that it has passed off its goods as those of or authorised by the pursuer. It further avers that the defender's gowns are of inferior quality to the gowns authorised by the pursuer, that they are made from more lightweight fabric, and that the bobbling effect of the nap cloth is less pronounced than on the gowns authorised by the pursuer; that the defender's infringements of the trade mark have damaged the mark and the reputation of the mark; and that it is reasonably apprehensive that the defender will continue to infringe the trade mark and will continue to pass off its goods as those of or authorised by the pursuer unless restrained from doing so. It also avers that at the beginning of the 2018 academic year 200 fewer gowns than normal were sold by its subsidiary and that a significant proportion of the reduction in sales is attributable to students buying gowns from the defender; that the action relates to wrongful acts in Scotland and marketing aimed and directed towards customers in Scotland, in particular the students attending and about to

attend the University of St Andrews; that around 31% of the University's undergraduate students are from Scotland; that most undergraduates do not buy their gowns until they have arrived in St Andrews; that of the official gowns sold in 2018, around 22% were pre-ordered; and that the fact that some potential customers for gowns are outside Scotland does not detract from the fact that the defender's activities are directed to a material extent towards customers in Scotland. In response to the defender's averments in answer the pursuer admits that the defender has made complaints against the pursuer, Ede & Ravenscroft and a number of English universities alleging breach of provisions of the Competition Act 1998, under explanation that so far as the pursuer is aware, none of those complaints have proceeded beyond a pre-action letter. The pursuer avers that other possible legal proceedings would include claims brought by different claimants, in relation to the gowns of different universities, and would involve different intellectual property rights such as copyright; that none of the postulated proceedings are relevant to the question of *forum non conveniens*; and that any proceedings which the defender might bring against the pursuer before the Competition Appeal Tribunal ("the CAT") would be likely to be treated as proceedings in Scotland.

[4] The defender denies infringement of trade mark and passing off. Its first and second pleas-in-law are a plea of no jurisdiction and a plea of *forum non conveniens*. It avers that it has sold a total of 89 of the gowns, 59 of which were sold in St Andrews on 9 and 10 September 2018; that, of the remaining 30, 14 were sold via the website to customers with addresses outside Scotland; that St Andrews undergraduate gowns tend to be purchased by students after their place has been confirmed but before they commence their studies; that a minority of undergraduates are from Scotland and that the majority are from elsewhere in the UK or overseas; and (in answer 3) that "Accordingly the pages of the defender's

website... are not specifically marketed, aimed or directed at customers in Scotland.” It admits that the bobbling effect on the nap cloth of its gowns is less pronounced and that its gowns are made from a lighter fabric. It avers that the present proceedings are part of a wider dispute and it describes the other proceedings which it contemplates may be commenced. It further avers that the place where the alleged harmful events have occurred is England and that the Court of Session is neither the natural nor the appropriate forum for resolution of the dispute.

The evidence

[5] In advance of the proof the parties had been ordained to lodge affidavits or signed witness statements of the witnesses upon whom they intended to rely at the proof. The pursuer lodged affidavits from Joe Richards and Roy Drummond. The defender lodged signed witness statements from Stephen Tupper and Ruth Nicholls. In the result, none of the witnesses gave oral evidence because the parties entered into a joint minute of admissions (no 28 of process) in terms of which they agreed:

“1. Without prejudice to any submissions by either party as to relevancy, the statements and affidavits of the witnesses for the pursuer and the defender may be received as their evidence for the purposes of the preliminary proof without requiring to be spoken to by them save that:

- (i) This agreement does not extend to Mr Tupper’s evidence as in so far as it relates to
 - (a) the merits of the parties’ positions or the likely outcome or prospects of success on any question arising in these proceedings or in any potential proceedings, or
 - (b) the motivation or purpose of the pursuer in bringing these proceedings or in doing so the way that it has.
- (ii) Mr Richard’s evidence in so far as it relates to whether the University’s property is vested in the University Court and/or the University Court carries on the business of the University.

(ii) (*sic*) For the avoidance of doubt, Ms Nicholl's evidence as to the defender's future intentions is to be received for the purposes of explaining the position adopted by the defender on that question, and without prejudice to either party's position as to the merits of the dispute.
..."

Joe Richards

[6] Mr Richards is Group Financial Controller of SOI Group Limited, which company provides management services to the subsidiary companies of the University of St Andrews. His evidence was that in the academic year 2018/19 27% of the student intake came from Scotland. 31% of current undergraduates were Scottish. There were "strong populations" from England, the USA, China and Germany. In the academic year 2014/15 56.2% of the student population were from the United Kingdom and 43.8% were from other countries. Undergraduate gowns could be pre-ordered on the University Shop's website and collected from the shop, but only about a quarter of gowns were pre-ordered. The vast majority of undergraduate gowns were bought after undergraduates arrived in St Andrews, either at the University Shop or at the gown sale held each September in Parliament Hall. In 2018/19 there were 751 gowns sold of which 163 (22%) were pre-orders and 588 (78%) were sold at the Parliament Hall sale or at the shop. Fifty eight of the pre-orders were from students domiciled in Scotland and 44 were from students domiciled in England and Wales. Forty seven of the 163 pre-orders had been made in the month of September 2018.

Roy Drummond

[7] Mr Drummond is the Chief Legal Officer for the University of St Andrews. His evidence was that Mr Tupper's assertion that the action had been raised to stymie any proposed competition law claim by the defender against the pursuer was incorrect. There

was no correlation between the current action and the proposed competition law claim. In September 2018, following complaints to the University by dissatisfied students who had purchased the defender's gowns, the pursuer had become aware of the defender's marketing and sale of gowns in St Andrews and via its website. On 10 September 2018 the University's solicitors had written a cease and desist letter to the defender. Mr Tupper had replied on behalf of the defender by letter dated 14 September 2018 stating that the defender was in the course of compiling a letter of claim for "anti-competitive behaviour in the academic dress market" under the Competition Act 1988. Thereafter Mr Drummond had instructed the University's solicitors to raise proceedings for trade mark infringement and passing off. The threatened competition claim had not triggered the raising of the action. Nor at the time the action was raised was Mr Drummond aware of any threatened action by the defender against Ede and Ravenscroft. The purpose of the proceedings was to prevent further trade mark infringement and passing off.

Ruth Nicholls

[8] Ms Nicholls is the defender's Director of Operations. The company's only office is in Stratford, London where Ms Nicholls and the defender's managing director, Oliver Adkins, work. Sales through the website are manually processed in the Stratford office. The defender's stock of academic dress is stored at a warehouse in Swindon. The servers for the defender's website are hosted in the USA. Ms Nicholls manages the defender's online presence from the Stratford office. She is responsible for the content of the website and for the defender's pay-per-click advertising on Google, Facebook and Amazon. She carries out most content updates to the website, but if a change involves technical difficulty she would request one of the defender's directors (who resides in Australia) to assist or she would

engage the website's developer (who is based in India) to provide the necessary services. For the start of the academic year 2018/19 the defender had obtained 200 undergraduate gowns from its suppliers for sale to St Andrews students. In September 2018 she and Mr Adkins spent 4 days in St Andrews to promote sales of undergraduate gowns by distributing flyers and having a roadshow at the St Andrews Ale House. Prior to the visit there had been 11 sales online. The defender had delivered "half" of those gowns to addresses in England. Of the remainder "1 or 2" were collected from them in St Andrews. The defender did not propose to repeat the roadshow in 2019. It would continue to market undergraduate gowns for St Andrews students on its website and by using Google ads. It would like to sell the remainder of the stock it had bought. It was "undecided" whether it would order any new gowns: "We will probably just continue to sell the existing stock that we have." The defender does not have any business operations in Scotland. None of its advertising or marketing, specifically its website, is directed from Scotland. It has no office or other place of business (and no employees located or working) in Scotland. It has no bank account or other assets in Scotland. None of its directors are in Scotland. Paragraph 25 of Ms Nicholls' witness statement concluded:

"As a result of this action in Scotland, [the defender] is faced with the additional expense of fighting for fair access to the UK national academic dress market in two different jurisdictions. This is additional expense which, not least because of the efforts to keep us out of that market by Ede & Ravenscroft (and those universities who have assisted it), we can ill-afford."

Stephen Tupper

[9] Mr Tupper is a solicitor based in London who is instructed on behalf of the defender and a related company, Churchill Gowns Limited. The defender and Churchill Gowns Limited are part of the Churchill Gowns group. Churchill Gowns was set up in Australia in

2014 and it had some success breaking into the academic gowns market there which up until recently had been dominated by one or two traditional suppliers. The defender hoped to do the same in the United Kingdom. In the UK, companies in the Ede & Ravenscroft group (“E&R”) enjoyed a dominant position in the academic dress market supplying about 75% of universities and about 80% of students. At “120-odd” universities (including St Andrews) E&R “had legal or *de facto* exclusive supply”; and E&R, in combination with many of these universities (including St Andrews), had taken active steps to shut out new entrants to the market, including the Churchill companies. E&R’s principal tactic had been to allege infringement of intellectual property rights by competitors. In August 2018 E&R’s solicitors alleged that the defender had infringed E&R’s copyright by selling bachelor hoods to University of Bedford students. E&R threatened an injunction to prevent any production, marketing or sales by the defender of academic dress for that university. W M Northam & Company Limited (an E&R company) had emailed the defender claiming that it owned copyright for University of Lincoln academic dress. Churchill denies any copyright claims concerning university hoods. It maintains that no part of the hood is an artistic work and that section 51(1) of the Copyright, Designs and Patents Act 1988 is a complete defence. Churchill therefore already faces the threat in England of a number of other IP-related claims in respect of its supply of academic dress, and the work in relation to those claims is being done in England. There is a dedicated IP Court in England and Wales - the Intellectual Property Enterprise Court (“IPEC”). If E&R “made good on its threats” Mr Tupper anticipated that any action would be begun there. There are specialist judges and cases are dealt with quickly and at modest cost because recoverable costs are capped at £50,000. In Mr Tupper’s view IPEC would be likely to accept jurisdiction over any trade mark and passing off claim made against Churchill.

[10] Churchill has claims for damages for breach of statutory duty owed under the Competition Act 1988. As a result of being shut out from the UK market Churchill had lost the opportunity to establish its businesses and had lost profits of £3 million over a 3 year period. Letters before action had been sent to the pursuer and to the Universities of Bedford, London Metropolitan, and Canterbury. Churchill alleges that each of the universities has combined with E&R in a common scheme which has allowed that undertaking to abuse its dominant position in the academic dress market. The claims should all be heard by the same court. The Court of Session does not have jurisdiction in respect of the claims against the English universities. It is envisaged that the Churchill companies would bring actions in the CAT where they would be tried together and that all of the proceedings would be treated as English proceedings. If in the meantime E&R or anyone else commences claims against Churchill in IPEC, an alternative would be for the competition claims to be dealt with by the Competition List of the Business and Property Courts ("B&PC"). While IPEC scale costs would not apply in such a case Mr Tupper believed that costs management would be very likely to apply, with the result that if the present dispute was heard in England costs would be lower than if the proceedings were to continue in Scotland. Churchill's witnesses and legal team and experts are based in London. It would be more expensive and less convenient for them to come to Edinburgh. There would be duplication of cost because Scottish solicitors would have to be engaged. Mr Tupper believes that "the Scottish proceedings were begun in an attempt to stymie Churchill's competition law claims against the University."

Relevant UK and EU provisions

[11] Sections 3, 16 and 49 of, and Schedule 4 to, the Civil Jurisdiction and Judgments

Act 1982 (“CJJA”) provide:

“3.— Interpretation of the Brussels Conventions.

(1) Any question as to the meaning or effect of any provision of the Brussels Conventions shall, if not referred to the European Court in accordance with the 1971 Protocol, be determined in accordance with the principles laid down by and any relevant decision of the European Court.

(2) Judicial notice shall be taken of any decision of, or expression of opinion by, the European Court on any such question.

...

16 - Allocation within U.K. of jurisdiction in certain civil proceedings.

(1) The provisions set out in Schedule 4 (which contains a modified version of (“Chapter II of the Regulation]) shall have effect for determining, for each part of the United Kingdom, whether the courts of law of that part, or any particular court of law in that part, have or has jurisdiction in proceedings where—

(a) the subject-matter of the proceedings is within the scope of the Regulation as determined by Article 1 of the Regulation (whether or not the Regulation has effect in relation to the proceedings); and

(b) the defendant or defender is domiciled in the United Kingdom or the proceedings are of a kind mentioned in Article 24 of the Regulation (exclusive jurisdiction regardless of domicile).

(3) In determining any question as to the meaning or effect of any provision contained in Schedule 4—

(a) regard shall be had to any relevant principles laid down by the European Court in connection with Title II of the 1968 Convention or Chapter II of the Regulation and to any relevant decision of that court as to the meaning or effect of any provision of that Title or that Chapter;

...

49 Saving for powers to stay, sist, strike out or dismiss proceedings.

Nothing in this Act shall prevent any court in the United Kingdom from staying, sisting, striking out or dismissing any proceedings before it, on the ground of *forum non conveniens* or otherwise, where to do so is not inconsistent with the 1968 Convention or, as the case may be, the Lugano Convention or the 2005 Hague Convention.

...

SCHEDULE 4

CHAPTER II OF THE REGULATION AS MODIFIED: RULES FOR ALLOCATION OF JURISDICTION WITHIN UK

General

1 Subject to the rules of this Schedule, persons domiciled in a part of the United Kingdom shall be sued in the courts of that part.

2 Persons domiciled in a part of the United Kingdom may be sued in the courts of another part of the United Kingdom only by virtue of rules 3 to 13 of this Schedule.

Special jurisdiction

3 A person domiciled in a part of the United Kingdom may, in another part of the United Kingdom, be sued—

...

(c) in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur;

..."

Chapter II of Regulation (EU) No 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the recast Brussels I Regulation) provides:

"...

CHAPTER II
JURISDICTION

...

SECTION 1

General provisions

Article 4

1. Subject to this Regulation, persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State.

...

Article 5

1. Persons domiciled in a Member State may be sued in the courts of another Member State only by virtue of the rules set out in Sections 2 to 7 of this Chapter.

...

SECTION 2

Special jurisdiction

Article 7

A person domiciled in a Member State may be sued in another Member State:

...

(2) in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur;

..."

The recast Brussels I Regulation replaced the Brussels I Regulation (Regulation (EC) No 44/2001). Article 5(3) of the Brussels I Regulation was in the same terms as Article 7(2) of the recast Brussels I Regulation.

Jurisdiction

Counsel for the pursuer's submissions

[12] Mr O'Brien submitted that the pursuer founded upon the special jurisdiction in rule 3(c) of Schedule 4 to the CJJA. That rule is based on the equivalent European provision now found in Article 7(2) of the recast Brussels I Regulation. In interpreting Schedule 4, the court is to have regard to relevant decisions of the Court of Justice of the European Union on the equivalent European rules: CJJA, section 16(3)(a). Scotland is "the place where the harmful event occurred or may occur". The pursuer had the option to sue in the place of the defender's domicile or the place where the harmful event occurred or may occur. It had chosen to exercise the latter ground of jurisdiction. The expression "place where the harmful event occurred" covered "both the place where the damage occurred and the place of the event giving rise to it": *Joined Cases C-509/09 and C-161/10 eDate Advertising GmbH v X* [2012] QB 654, paragraph 41 of the judgment of the court. With passing off, the place of the damage is the place where the goodwill concerned subsists and is protected by the law relating to passing off: *cf. AMS Neve Ltd v Heritage Audio SL* [2017] FSR 16, [2016] EWHC 2563 (IPEC), per HHJ Hacon at paragraph 25; *AMS Neve Ltd v Heritage Audio SL* [2018] FSR 23, [2018] EWCA Civ 86, per Kitchin LJ (as he then was) at paragraph 10. In the case of a claim for infringement of a national trade mark the place where the damage occurred or may occur is the place where the trade mark is registered: *Case C-523/10 Wintersteiger AG v Products 4U Sondermaschinenbau GmbH* [2013] Bus LR 150, [2012] ETMR 31.

[13] Here, in relation to each right the place where the damage occurred or may occur is in Scotland. The right to protect goodwill and prevent passing off subsists in Scotland. So far as infringement of the trade mark is concerned, the place of the relevant damage is the whole of the UK, including Scotland, because the trade mark is registered in the UK.

Accordingly the Scots courts have jurisdiction in relation to each aspect of the claim. The pursuer has opted to sue in Scotland. It was entitled to exercise that choice. While it was not essential to the existence of jurisdiction to bring the infringement proceedings, in fact Scotland was the place where a very substantial part of the relevant damage had in fact occurred and was in fact likely to occur.

[14] If his principal submission (that the place of the damage in relation to infringement was the whole of the UK) was not correct, Mr O'Brien's secondary argument was that in the case of online publication a claim for the whole loss could be brought either in the place where the publisher was based (being the place of the event giving rise to the harm), or in the place where the claimant had its "centre of interests" (because with online publication that was the place of the harm): *eDate, supra*, paragraphs 48-49. The centre of the pursuer's interests was Scotland. Alternatively, he submitted that the place of the harm was Scotland because the online advertising was directed or targeted at students here. Reference was made to *Bonnier Media Ltd v Smith* 2003 SC 36, per Lord Drummond Young at paragraphs 18-20; and to the Opinion of the Advocate General (delivered on 28 March 2019) in *AMS Neve Ltd v Heritage Audio SL* Case C-172/18 [2019] 3 WLR 489 at paragraphs 81 - 88.

[15] In relation to the activities which were carried out in St Andrews by Ms Nicholls and Mr Adkins in September 2018, not only was the place of the damage Scotland, but the event giving rise to the damage also took place there. Each of the two possible bases for rule 3(c) jurisdiction was satisfied.

[16] In the course of his submissions Mr O'Brien also made reference to Case C-68/93 *Shevill v Presse Alliance SA* [1995] 2 AC 18; Case C-45/13 *Kainz v Panterwerke AG* [2015] QB 34; Case C-168/02 *Kronhofer v Maier* [2004] ECR I-6009; and Case C-360 *Coty Germany GmbH v First Note Perfumes NV* [2014] ETMR 49.

Counsel for the defender's submissions

[17] Ms Pickard submitted that the defender's primary position was that this Court did not have jurisdiction to try those parts of the claim that relate to the defender's online use of the signs said to be protected by the pursuer's trade mark. She accepted that the court had jurisdiction in so far as the claim was based upon the marketing event which had taken place in St Andrews.

[18] The problem here with the pursuer's reliance on rule 3(c) special jurisdiction was that the place of the damage was the place of registration of the trade mark: *Wintersteiger*. Since the trade mark was a UK registered mark, the place of the damage did not assist in allocating jurisdiction between the United Kingdom jurisdictions. Schedule 4 required the court to determine the appropriate jurisdiction. Therefore, so far as rule 3(c) special jurisdiction was concerned, the only way of allocating jurisdiction was by reference to the place of the event giving rise to the damage. There was no doubt that so far as the online activity was concerned the place of the event was England. The place of the event was the "closest connecting factor" here. Rules of special jurisdiction such as rule 3(c) required to be narrowly interpreted because they derogated from the general rule that jurisdiction was based on domicile: *Kainz v Panterhwerke AG*, *supra*, judgment of the court at paragraphs 30-32; *Coty Germany GmbH v First Note Perfumes NV*, *supra*, judgment of the court at paragraphs 44-45.

[19] The pursuer's alternative arguments were also unsound. *Wintersteiger* had expressly ruled that the approach in *eDate* was not applicable in the context of online advertising. *Wintersteiger* did not provide any support for the pursuer's suggested targeting approach. *AMS Neve Ltd v Heritage Audio SL* involved consideration of the regulation governing community trade marks. While the Advocate General's Opinion provided some support for

a targeting approach in relation to special jurisdiction under that regulation, the court should be very cautious about applying the same approach here. The regulation of community trade marks and the regulation of national trade marks were distinct and different. Second, the Court of Justice might not agree with the Advocate General's approach.

Decision and reasons

[20] In my opinion it is clear that the plea of no jurisdiction is not well founded.

[21] The pursuer founds on the special jurisdiction in rule 3(c). In that regard it is well established that a pursuer has the option of founding upon either the place of the damage or the place of the event giving rise to the damage (*Handelswekerij GJ Bier BV v Mines de Potasse d'Alsace SA Bier v Mines de Potasse d'Alsace* [1976] ECR 1735). I emphasise that point. At times Ms Pickard appeared to suggest that it was for the court to decide which of the two options was preferable. In my opinion that is not the court's task. Rather, the question for the court is whether the pursuer is entitled to found upon the jurisdictional ground which it has chosen.

[22] I deal first with the passing off claim. The pursuer founds upon the place of the damage being Scotland. In my view it is entitled to do so. The place of the damage is the place where the goodwill concerned subsists and where it is protected by the law. The goodwill which the pursuer claims is being injured by passing off subsists in Scotland and it is protected by the Scots common law relating to passing off.

[23] I turn to infringement of the trade mark. In my opinion *Wintersteiger* provides clear guidance. The place of the damage is the place where the trade mark is registered. Since the trade mark is registered in the United Kingdom, each of the United Kingdom jurisdictions is

a place of the damage. Accordingly, the pursuer is entitled to found jurisdiction upon Scotland as it is a place of the damage.

[24] I can see that there might be scope for arguing that applying the approach in *Wintersteiger* in the context of intra UK allocation of jurisdiction might result in a situation where a jurisdiction was treated as a place of the damage even though in fact all material damage was suffered in one or both of the other UK jurisdictions. On that scenario it might be argued that the application of *Wintersteiger* would not ensure a sufficiently close connection between the forum and the delictual dispute. However, in my opinion it is very clear that in the present case Scotland has a very close and strong connection with the dispute. On the pursuer's case there has not been merely notional or immaterial damage in Scotland because of infringement of the trade mark. A very substantial number of the students to whom the online advertising was directed were in Scotland. The evidence is that between 27% and 31% of undergraduates come from Scotland; that that is a greater number than the combined total of undergraduates from England and Wales and Northern Ireland; and that most of the students who buy undergraduate gowns do so after they have arrived in Scotland. I think it fair to say that the defender's online advertising was in fact directed to a very material extent to students who would be in Scotland when they made a purchase.

[25] In relation to the activities of Ms Nicholls and Mr Adkins in St Andrews in September 2018, not only was the place of the damage in Scotland, but the event giving rise to the damage also took place there. In relation to those activities each of the two possible bases for rule 3(c) jurisdiction is satisfied.

[26] Since I have concluded that Mr O'Brien's primary submission in relation to jurisdiction for the infringement claim is correct, I do not propose to say much about his alternative submissions. I do not think it is open to me to apply *eDate* in order to hold that

the place where the claimant's main interests are based is to be treated as the place of the damage. I agree with Ms Pickard that it is clear from *Wintersteiger* (paragraphs 22-25) that *eDate* applies to infringements of personality rights and that it does not apply to the determination of jurisdiction where the dispute involves intellectual property rights. As will be apparent from the discussion above, I am satisfied that the pursuer's case is that the online advertising targeted students who would be likely to purchase gowns in Scotland, and that actual substantial and material harm has occurred within Scotland. It is unnecessary to rely upon Lord Drummond Young's reasoning in *Bonnier* or upon the Advocate General's Opinion in *AMS Neve Ltd v Heritage Audio SL* in order to arrive at that conclusion, and I do not do so. However, I think that both of those cases do tend to support that conclusion.

[27] On 5 September 2019 (after the hearing before me) the Court of Justice issued its judgment in *AMS Neve Ltd v Heritage Audio SL*. The court confirmed that claims for infringement of a community trade mark may be brought against traders who have advertised or made offers for sale displayed electronically which are directed at the public in the Member State where the trade mark proprietor is bringing court action; and that the relevant court in that Member State has jurisdiction even if the decisions and steps to bring about the online advert took place in a different Member State. Since the case concerned a community trade mark the issue involved interpreting the words "Member State in which the act of infringement has been committed" in Article 97(5) of Regulation No 207/2009. It did not concern a national trade mark, where the relevant provision would have been Article 7(2) of the recast Brussels I Regulation (which replaced Article 5(3) of Regulation No 44/2001). However, the court observed at paragraphs 58 and 59 of the judgment:

“58 The interpretation of Article 97(5) of Regulation No 207/2009, as *lex specialis* with respect to actions alleging infringement of EU marks, must, it is true, be independent of the interpretation of Article 5(3) of Regulation No 44/2001 adopted by the Court with respect to actions alleging infringement of national marks (judgment of 5 June 2014, *Coty Germany*, C-360/12, EU:C:2014:1318, paragraph 31). Nonetheless, the interpretations of the concepts of ‘Member State in which the act of infringement has been committed’ and ‘the place where the harmful event occurred’, in those provisions, must have a degree of consistency in order, in accordance with the objective laid down in recital 17 of Regulation No 207/2009, to reduce as far as possible cases of *lis pendens* as a result of the bringing of actions, in different Member States, involving the same parties and the same territory, one brought on the basis of an EU trade mark and another on the basis of parallel national trade marks (see, to that effect, judgment of 19 October 2017, *Merck*, C-231/16, EU:C:2017:771, paragraphs 30 to 32).

59 If the rule of jurisdiction laid down in Article 97(5) of Regulation No 207/2009 were to be interpreted as meaning that that provision did not, unlike Article 5(3) of Regulation No 44/2001, permit the proprietors of EU marks to bring an infringement action before the courts of the Member State within which they seek a declaration of an infringement, the consequence would be that those proprietors would bring proceedings alleging infringement of an EU trade mark and proceedings alleging infringement of parallel national trade marks before courts of different Member States. Frequent application of the mechanism provided in Article 109 of Regulation No 207/2009 to resolve cases of *lis pendens* would, because of such a divergent approach in Article 97(5) of Regulation No 207/2009 (now Article 125(5) of Regulation 2017/1001) and Article 5(3) of Regulation No 44/2001 (now Article 7(2) of Regulation No 1215/2012), be likely, thereby defeating the objective, pursued by those regulations, of reducing cases of *lis pendens*.”

[28] Had the judgment of the Court in *AMS Neve* been critical to my decision on the jurisdiction issue I would have invited further submissions from counsel in light of that judgment. However, since the judgment is not critical to my decision, and because inviting such submissions would have resulted in delay in issuing this Opinion and in further expense for the parties, I did not consider it necessary to follow that course.

Forum non conveniens*Counsel for the defender's submissions*

[29] Ms Pickard submitted that if this court has jurisdiction it ought to decline to exercise it on the ground of *forum non conveniens*. England and Wales is another forum of competent jurisdiction - the defender is domiciled there - and it is the forum which is clearly and distinctly more appropriate for trying the dispute having regard to the interests of the parties and the ends of justice (*RAB v MIB* 2009 SC 58, per the Opinion of the Court delivered by Lord Eassie at paragraphs 20-21). In the whole circumstances the court should conclude that England and Wales is the jurisdiction with which the dispute has the more real and substantial connection.

[30] Ms Pickard had suggested in her note of argument, and Mr Tupper had suggested in his witness statement, that the availability of specialist intellectual property courts in England and Wales was a factor pointing to it being a more appropriate forum than Scotland. However, I understood Ms Pickard's ultimate position to be that while this showed there were appropriate courts in England she did not ask me to conclude that the English courts were better equipped than this court to try the dispute. As she put it, the factor was probably a neutral one.

[31] Important factors which she founded upon strongly were that the core complaint (as she saw it) related to the defender's online use of allegedly infringing signs; that the activities that resulted in those signs being displayed online all occurred in London; and that the "core infringing acts" which the pursuer sought to interdict take place in England. The last feature pointed strongly to England being the appropriate forum (*Vetco Gray UK limited v FMC Technologies Inc* [2007] EWHC 540 (Pat), per Mann J at paragraph 27). The marketing event in St Andrews was not a core aspect of the dispute. Other relevant factors were that

the defender was based in England and that was where it carried out all of its business activities. It had no presence in or connection with Scotland. There were other proceedings which had been threatened against the defender by E&R or universities or entities associated with it. There would be likely to be a degree of commonality between each of the proceedings - the common thread being that E&R was the official supplier of academic dress to the various English universities involved. If brought, those proceedings would be likely to be in England and it was possible - Ms Pickard was careful to put it no higher than that - that the court could use its case management powers to have all of the actions brought together. Likewise, if the present dispute was heard in England there would be at least the possibility of it being joined in those consolidated proceedings.

[32] A key part of the defender's coordinated response to the various complaints made against it were its own claims for breach of competition law. The defender intended that these be pursued in the CAT, and that it would apply for the claims to be heard together. It would of course be up to the CAT to determine whether any proceedings before it were English or Scottish proceedings. If most of the parties were English then it seemed more likely than not that all of the proceedings would be treated as English proceedings, but it was probably too speculative to explore that matter further at this stage. Alternatively, if E&R and/or others did bring claims against the defender in the High Court then it would be open to the defender to bring the competition claims there instead of in the CAT. Litigating in Scotland would be likely to result in some inconvenience for the defender, their legal adviser Mr Tupper (who is a sole practitioner based in London), and for the defender's witnesses who are all based in England. While Mr Tupper had suggested that the costs of the proceedings in Scotland might be greater than those which would be incurred if the present dispute was litigated in England, Ms Pickard's ultimate position was that costs

ought probably to be treated as a neutral factor. However, if there were parallel proceedings in England and Scotland there may be some duplication of time and expense.

Counsel for the pursuer's submissions

[33] Mr O'Brien submitted that the relevant principles were set out in *Spiliada Maritime Corp. v Cansulex Ltd* ("The Spiliada") [1987] AC 460 (HL) by Lord Goff of Chieveley. The term *forum non conveniens* was potentially misleading, as the test was "not one of convenience, but of the suitability or appropriateness of the relevant jurisdiction": p 474E-F. Lord Goff cited with approval the dictum of Lord Kinnear that "something more is required than mere practical inconvenience": *Sim v Robinow* (1892) 19 R 665 at p 668. The plea will only succeed "where the court is satisfied that there is some other available forum, having competent jurisdiction, which is the appropriate forum for the trial of the action, ie in which the case may be tried more suitably for the interests of all the parties and the ends of justice": *The Spiliada*, p 476C.

[34] It must be remembered that the pursuer has founded jurisdiction as of right: *The Spiliada*, p 476F. The defender bears the burden of showing that another forum is not merely more appropriate, but "clearly or distinctly more appropriate": *The Spiliada*, p 477E. Where the choice is between competing jurisdictions in a federal state, it is readily understandable that a strong preference should be given to the forum chosen by the plaintiff: *The Spiliada*, 476H. That observation applied equally where the choice was between different parts of the UK: *Sokha v Secretary of State for the Home Department* 1992 SLT 1049, per Lord Prosser at pp 1053-1054. The focus was on whether the dispute had the most real and substantial connection with a different forum, having regard to matters such as the availability of witnesses, the governing law, and the parties' places of residence: *The Spiliada*, p 478A-B.

[35] Here, the locations of parties, witnesses and legal advisers were neutral factors.

While litigating in Scotland will involve a degree of inconvenience for the defender, there would be commensurate inconvenience for the pursuer were it required to litigate in England. The suggestions that the English courts were better equipped to deal with the dispute and that the costs involved there would be less than in Scotland were not accepted. In any case, the question of *forum non conveniens* did not turn on the relative procedural advantages of the fora unless substantial justice could not be done in the natural forum: *Lubbe v Cape plc* [2000] 1 WLR 1545 (HL), 1554 (Lord Bingham); *Vedanta Resources plc v Lungowe* [2019] 2 W.L.R. 1051, [2019] UKSC 20, per Lord Briggs at paragraph 88. The defender did not suggest that substantial justice could not be done in Scotland.

[36] The defender relied heavily on possible litigation in England and Wales which it said was being contemplated. Where such a factor was founded upon, the degree to which the subject matters of proceedings overlapped was relevant, as was the stage which each had reached: *Argyllshire Weavers Ltd v A Macaulay (Tweeds) Ltd (No 1)* 1962 SC 388, per Lord President Clyde at p 400. The fact that no such proceedings have in fact been raised is a factor tending against the sustaining of the plea: *Robinson v Robinson's Trustees* 1930 SC (HL) 20, per Viscount Dunedin at pp 24-25.

[37] Here no other proceedings had been commenced. In so far as it was possible to ascertain from pre-litigation correspondence, there was no significant overlap between the issues raised in the present case and the issues which might arise were the other proceedings to be commenced. The proceedings which the defender envisaged that E&R or universities may bring would involve different and separate disputes relating to different rights from the rights upon which the pursuer founds. Likewise, the subject matter of the competition law proceedings against the pursuer and its subsidiaries would concern different complaints, *viz*

(i) abuse of a dominant position in the UK market for retail of St Andrews University undergraduate gowns; (ii) arrangements with E&R which affect trade within the UK market for the supply of academic dress, specifically at St Andrews; and (iii) unlawful means conspiracy. The primary focus of the possible competition law proceedings which the defender had threatened would be on the effect of arrangements between universities and E&R. In contrast, the issues in dispute in this action relate to such matters as whether the defender's actions amount to infringement and/or passing off at all, and (if the defender's actions would otherwise infringe) whether it can rely on the descriptive-use defences in section 11 of the Trade Marks Act 1994. Furthermore, it could not be assumed that any proceedings before the CAT would be treated as taking place in England and Wales. Under the Competition Appeal Tribunal Rules 2015, it would be the CAT, not the parties, which determined whether its proceedings were to be treated as taking place in Scotland or in England and Wales. It would consider the connecting factors set out in rule 18(3). That decision would determine the court to which any appeal from the CAT lay, the governing law, and the available remedies: *Merger Action Group v Secretary of State for Business, Enterprise and Regulatory Reform* [2008] CAT 34, at paragraph 3; Competition Act 1998 s 47A(3). The approach focused on connecting factors and on the centre of gravity of the dispute, rather than questions of convenience: *Merger Action Group, supra*, at paragraphs 9-10. Here the proposed claim would be directed at the pursuer and its subsidiaries in relation to their behaviour in connection with academic dress. The centre of gravity of the dispute was Scotland. So, even if such proceedings were to be brought before the CAT, it was likely that they would be treated by the CAT as being Scottish proceedings.

[38] The defender placed undue reliance on *Vetco Gray UK Limited v FMC Technologies Inc.* The circumstances of that case were plainly distinguishable from the present case. There,

proceedings had been well underway in both Scotland and England and there had been a very high degree of overlap between the subject matters of the disputes. The disputes involved patent infringement and the place of infringement was said to be Scotland. The acts of infringement had nothing to do with cross-border online publication.

[39] In the whole circumstances it simply could not be said that the dispute had a more real and substantial connection with England and Wales than with Scotland or that England and Wales was “clearly or distinctly” the more appropriate forum.

Decision and reasons

[40] It is common ground that the principles underlying the doctrine of *forum non conveniens* were conveniently and authoritatively set out by Lord Goff of Chievely in *The Spiliada* at pp 474-478. The fundamental principle is, as Lord Kinneer stated in *Sim v Robinson* (at p 668):

“the plea can never be sustained unless there is some other tribunal, having competent jurisdiction, in which the case may be tried more suitably for the interests of all the parties and for the ends of justice.”

At pp 476B - 478 E of *The Spiliada* Lord Goff summarised the relevant law:

“In my opinion, having regard to the authorities (including in particular the Scottish authorities), the law can at present be summarised as follows.

(a) The basic principle is that a stay will only be granted on the ground of *forum non conveniens* where the court is satisfied that there is some other available forum, having competent jurisdiction, which is the appropriate forum for the trial of the action, i.e. in which the case may be tried more suitably for the interests of all the parties and the ends of justice.

...

(c) ...where jurisdiction has been founded as of right ... In my opinion, the burden resting on the defendant is not just to show that England is not the natural or appropriate forum for the trial, but to establish that there is another available forum which is clearly or distinctly more appropriate than the English forum. In this way, proper regard is paid to the fact that jurisdiction has been founded in England as of right...

(d) Since the question is whether there exists some other forum which is clearly more appropriate for the trial of the action, the court will look first to see what factors there are which point in the direction of another forum. These are the factors which Lord Diplock described, in *MacShannon's* case [1978] A.C. 795, 812, as indicating that justice can be done in the other forum at "substantially less inconvenience or expense." Having regard to the anxiety expressed in your Lordships' House in the *Societe du Gaz* case, 1926 S.C. (H.L.) 13 concerning the use of the word "convenience" in this context, I respectfully consider that it may be more desirable, now that the English and Scottish principles are regarded as being the same, to adopt the expression used by my noble and learned friend, Lord Keith of Kinkel, in *The Abidin Daver* [1984] A.C. 398, 415, when he referred to the "natural forum" as being "that with which the action had the most real and substantial connection." So it is for connecting factors in this sense that the court must first look; and these will include not only factors affecting convenience or expense (such as availability of witnesses), but also other factors such as the law governing the relevant transaction (as to which see *Credit Chimique v. James Scott Engineering Group Ltd.*, 1982 S.L.T. 131), and the places where the parties respectively reside or carry on business.

(e) If the court concludes at that stage that there is no other available forum which is clearly more appropriate for the trial of the action, it will ordinarily refuse a stay; see, e.g., the decision of the Court of Appeal in *European Asian Bank A.G. v. Punjab and Sind Bank* [1982] 2 Lloyd's Rep. 356. It is difficult to imagine circumstances where, in such a case, a stay may be granted.

(f) If however the court concludes at that stage that there is some other available forum which prima facie is clearly more appropriate for the trial of the action, it will ordinarily grant a stay unless there are circumstances by reason of which justice requires that a stay should nevertheless not be granted..."

[41] In the present case England and Wales is a competent forum having jurisdiction by reason of the defender being domiciled there. However, the pursuer also has jurisdiction as of right to bring the proceedings in Scotland. The fact that Scotland is the jurisdiction where the pursuer has chosen to bring the action is a matter to which some weight ought to be given (*Sokha v Secretary of State for the Home Department*, *supra*, per Lord Prosser at p 1054). However, since the critical question is whether England and Wales is clearly or distinctly a more appropriate forum for the proceedings than Scotland, the weight given to the pursuer's choice cannot be decisive if other factors indicate that the question should be answered in the affirmative notwithstanding the pursuer's choice. I turn then to examine the factors connecting the dispute with each of the two jurisdictions.

[42] In my opinion the subject matter of the action has a very real and substantial connection with Scotland. The pursuer is a Scottish University which complains that its trade mark has been infringed, and that its goodwill is being damaged by the defender passing off goods as being authorised by the pursuer. While the defender does not have a place of business in Scotland, I consider that on a proper analysis the defender has carried on and continues to carry on business here. Some of the relevant acts of the defender took place in St Andrews. While the online advertising was instigated and managed from the defender's place of business in London, and that is a relevant connection with England, it was and is directed to a very material extent to undergraduates who would be in Scotland when they read the advertising and when they purchased a gown. Any damage to the pursuer's goodwill caused by passing off will have been/will be suffered in Scotland. Similarly, damage caused by the alleged trade mark infringement will have been/will be suffered very largely in Scotland.

[43] Other factors which were discussed appear to me to be neutral. The defender and its witnesses (including its English solicitor Mr Tupper) will be inconvenienced by the proceedings being in Scotland, but no more than the pursuer and its witnesses and advisers would be inconvenienced were the proceedings to be in London. The suggestion that proceedings in England would be likely to be less expensive for both of the parties was not pressed by Ms Pickard and I need say no more about it. Had it been pressed I would have needed a much more detailed comparison of court fees and legal expenses likely to be incurred in each jurisdiction than I was provided with in order to be able to reach a reliable and informed view on the matter. In my opinion this court and the High Court in England and Wales are both well equipped to deal with the subject matter of the action. In any case, the question of *forum non conveniens* does not turn on the relative procedural advantages of

the *fora* unless substantial justice could not be done in the natural forum: *Lubbe v Cape plc*, *supra*, per Lord Bingham at paragraph; *Vedanta Resources plc v Lungowe*, *supra*, per Lord Briggs at paragraph 88. Ms Pickard did not suggest that substantial justice could not be done in Scotland.

[44] I come now to possible litigation in England and Wales which the defender says is contemplated by itself and others. The fact of the matter is that no such proceedings have been commenced. I am not persuaded by the material placed before me that there would be a significant overlap between the issues raised in the present case and the issues which might arise were the other proceedings to come to pass. I agree with Mr O'Brien that the proceedings which the defender envisages that E&R or universities may bring are likely to concern issues which are different from the present dispute; and that the subject matter of the competition law proceedings against the pursuer and its subsidiaries would also be likely to be different.

[45] I do not find *Vetco v Gray* to be of any real assistance. The circumstances there were very different from the present case. There were live proceedings in Scotland and in England, and the action in Scotland had got to the stage of a proof (trial) date having been fixed. There was a very high degree of overlap between the subject matters of the two actions. They involved patent infringement, and Scotland was both the place of infringement and the place where the damage was suffered. The acts of infringement had nothing to do with cross-border online publication. That was the context in which Mann J suggested that Scotland was perhaps the only place where an interdict could be granted. Nevertheless, Ms Pickard relied upon that observation. She submitted that since interdict was the only remedy which was sought here, and the acts of putting the offending material on the internet had taken place in England, it followed that England was the only place (or

at the very least the appropriate place) where a remedy of the nature of an injunction/interdict could be granted. Therefore, of the two possible ways of obtaining rule 3(c) special jurisdiction, the place of the event giving rise to the damage was either the only available one or the more appropriate one.

[46] In my opinion the submission is not well founded. First, by detaching Mann J's observation from its proper context Ms Pickard attaches more significance to it than I suspect the learned judge intended it to have. Second, as Mr O'Brien highlighted, in *Wintersteiger* the claimants had brought an action in the Austrian courts and the remedy sought was an injunction (paragraphs 13 and 16 of the judgment of the court). For the purposes of special jurisdiction under Article 5(3) of the Brussels I Regulation the court held (paragraphs 27 - 29) that the place of the damage was Austria (where the national trade mark was registered), but that the place of the event giving rise to the damage was Germany because that was the place where there was activation by the advertiser of the technical process which gave rise to the online advertisement complained of (paragraphs 34 - 39). The fact that the place of the event was Germany did not prevent the claimant from opting to found jurisdiction on the place of the damage in order to bring its claim for injunctive relief in Austria. Third, it seems to me that the submission conflates the activities which the pursuer seeks to interdict (infringement of its trade mark and passing off) with the activities which the court in *Wintersteiger* ruled were relevant to ascertainment of the place of the event giving rise to the damage. The court looked to the beginning of the story - advertiser activation - in order to identify the place of the event. As Professor Adrian Briggs has observed (Briggs, *Civil Jurisdiction and Judgments* (6th ed), paragraph 2.206), the court has tended to favour an interpretation of the event giving rise to the damage which enquires where the damage causing event has originated. Often, there is more to the story. Here, the

initial activation is not the only matter which the pursuer complains of. Interdict of the defender against infringement and passing off would prohibit a good deal more than that. Some of the matters struck at would involve things done in England and some would involve things done in Scotland.

[47] In the whole circumstances I am not persuaded that England and Wales is clearly or distinctly a more appropriate forum than Scotland.

Disposal

[48] I shall repel the defender's first and second pleas-in-law, and I shall reserve meantime all questions relating to the expenses of and incidental to the debate. I shall put the case out by order to discuss further procedure and to consider any motion for expenses which may be made.