



Neutral Citation Number: [2023] EWCA Civ 1508

Case No: CA-2023-000350

IN THE COURT OF APPEAL (CIVIL DIVISION)
ON APPEAL FROM THE HIGH COURT OF JUSTICE, BUSINESS AND PROPERTY
COURTS OF ENGLAND AND WALES, INTELLECTUAL PROPERTY LIST (ChD)

Sir Anthony Mann

[2022] EWHC 3327 (Ch)

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 20 December 2023

Before :

LORD JUSTICE LEWISON

LORD JUSTICE ARNOLD

and

LADY JUSTICE FALK

Between :

EASYGROUP LIMITED

**Claimant/
Appellant**

- and -

(1) EASY LIVE (SERVICES) LIMITED

(2) ACHILLEAS PAVLOU ACHILLEOUS

(3) JONATHAN RICHARD DEAN BURNSIDE

**Defendants/
Respondents**

Michael Edenborough KC and Stephanie Wickenden (instructed by **Edwin Coe LLP**) for
the **Appellant**

Chris Aikens (instructed by **Hansel Henson Ltd**) for the **Respondents**

Hearing date : 13 December 2023

Approved Judgment

Lord Justice Arnold:

Introduction




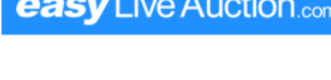

1. This is an appeal by the Claimant (“easyGroup”) with permission granted by Falk LJ against two parts of an order made by Sir Anthony Mann on 9 February 2023. First, he dismissed easyGroup’s claim for passing off against the Defendants for the reasons given in his judgment dated 21 December 2022 [2022] EWHC 3327 (Ch). Secondly, he granted a declaration that the use by the Defendants of certain signs did not infringe various trade marks owned by easyGroup, although the use of other signs had infringed certain of those trade marks, for the reasons he gave in an extempore ruling on 30 January 2023.

The facts

2. Although the judge was faced with a complex dispute, the facts relevant to the appeal can be briefly summarised.
3. easyGroup is a holding company established by Sir Stelios Haji-Ioannou in August 2000 to be the owner and licensor of all intellectual property rights relating to the various “easy” businesses founded by Sir Stelios, such as easyJet, easyCar, easyMoney and easyProperty. Each of these businesses trades under a brand name consisting of the word “easy” in lower case conjoined with another word only the initial letter of which is capitalised, and they make extensive use of get-up which comprises Cooper Black font and the colours orange (Pantone 021C) and white. Since November 2000 these businesses have operated under licences granted by easyGroup. There is no dispute that, by virtue of the terms of those licences, all the goodwill associated with the licensed indicia generated by those businesses is owned by easyGroup.
4. easyGroup also owns a large portfolio of registered trade marks, including the eight United Kingdom trade marks and one European Union trade mark listed in Appendix 1 to the judge’s judgment. It is unnecessary to set out the details of these trade marks, but they include two registrations of the word EASYJET and two registrations of EASYMONEY, one as a word and the other in logo form. easyGroup says that its trade marks form a “family” of trade marks.
5. The First Defendant (“ELA”), which trades as Easy Live Auction and variants of that name, has since January 2010 operated an online platform which enables subscribing auction houses to advertise and conduct auctions of chattels. ELA was founded by the Second Defendant, Achilleas Achilleous, and the Third Defendant, Jonathan Burnside, who remain its shareholders and directors. It is common ground that Mr Achilleous and Mr Burnside are jointly liable for any torts committed by ELA.
6. easyGroup commenced these proceedings in October 2019. The Claim Form complained of the Defendants’ use of “the sign EASY LIVE AUCTION” and referred to the Defendants having used “[v]arious stylised versions” of that sign. In easyGroup’s Particulars of Claim it was alleged under the heading “The activities complained of” that the Defendants “have provided the aforesaid services under and by reference to the name EASY LIVE AUCTION as follows”, identifying four specific “presentation[s]” of that sign. easyGroup alleged that such uses infringed the trade marks it relied on and amounted to passing off and sought an injunction to restrain the Defendants from

“[u]sing the sign Easy Live Auction or any sign colourably similar thereto” or otherwise infringing the trade marks or passing off.

7. The judge identified the signs complained of in Appendix 2 to his judgment as shown below.

No.	Sign	Date of first use pleaded by Ds
1		around January 2010
2A		May 2010
2B		June 2013
3		April 2016
4		March 2019

The sign EASY LIVE AUCTION was used from 2010 and the sign EASYLIVEAUCTION or its equivalent (with words elided) was used from (probably) 2014.

8. Mr Achilleous proposed the name EASY LIVE AUCTION, and Mr Burnside agreed to it, some time before April 2009. Both men were aware of easyJet at that time. Sign 1 shown above was subsequently designed by Mr Burnside. The judge found that, when the name was chosen and Sign 1 was designed, there was no intention to choose a name or style which was close to, or reflected, or took advantage of any association with, any of easyGroup’s brands.
9. As for Signs 2, 3 and 4, the judge found as follows:

“192. The style of the sign was then changed. The individual words were closed up and the word ‘easy’ lost its capital letter. It was also italicised and emboldened and a font was chosen which, objectively speaking, looks significantly closer to the Cooper Black font which is used by the Easy group. Mr Burnside said that these changes were considered and were deliberate. They were produced as a result of instructions given to an out-of-house graphic designer and then approved. What those instructions were did not emerge from the evidence, but it is not sensible to believe that the designer was just given a free hand. Mr Burnside must have had a significant part in the design process. What he did not say was that these changes were all the idea of a graphic designer.

193. It was put to Mr Burnside that, objectively speaking, those changes brought the logo closer to the various easyJet logos. He did not accept that. I consider that his non-acceptance was a defensive response, anticipating an allegation of copying which he would want to deny, and I consider that his defensiveness was born of nervousness about that denial. It was then put to him that the changes were made in order to get the ELA brand close to the Easy brand, and done to make it more likely that a consumer would call the Easy group logos to mind, and he denied that.
194. Mr Burnside demonstrated that he was aware of other brands and of the benefits of producing parodies (as he called them) in other marketing material. In one piece of such material the claimant set out a comparison table between themselves and other bidding platforms (not fully identified), on which he placed a reference to GoCompare (a version of the name and logo of an insurance price comparison website) and a meerkat (the symbol of another such website). I consider that this reflects his mindset.
195. Having considered this material, and having seen Mr Burnside in the witness box, I do not accept his protestations that he did not intend to bring his branding closer to the Easy group's style. Objectively his sign had moved closer and (as observed above) it gained a small to moderate, but nonetheless significant, amount of similarity. I find that that was intentional on the part of Mr Burnside and he achieved it with the help of his graphic designer.
196. It was put to him that the ® mark was removed in order to get the sign closer still to the Easy logos, but he denied that, and I accept that denial. I also accept his evidence that the hammer was not removed in order to bring a greater closeness. He was further challenged that his use of the colour orange in certain documents deploying the signs was a deliberate allusion to the orange branding of the Easy brands. He denied that, and I accept his denial, not least because looking at the deployments the thought processes involved would be unlikely ever to have occurred to Mr Burnside.
197. However, despite my acceptance of those denials, the fact remains that the original conception of the Sign 2 was to produce something which at least alluded to the Easy branding and the similarities were not accidental. Such as they were, they were intentional and for that purpose.
198. The move to Sign 4 moved away from the Easy group branding by shifting the bold and italicised emphasis to the word 'Auction'. Although Mr Burnside denied that that occurred because they were worried about the risk that the previous

associations presented, I do not accept that. I think it likely that that risk was acknowledged and the change of sign was to remove or reduce the risk of a successful attack by the Easy group. ...”

easyGroup’s claim for trade mark infringement

10. The judge held that none of easyGroup’s trade marks had been infringed by the Defendants pursuant to section 10(2) of the Trade Marks Act 1994 and the corresponding provisions in the EU Trade Mark Regulation and its predecessors. There is no appeal against that conclusion by easyGroup. The judge also held that the four EASYJET and EASYMONEY trade marks referred to in paragraph 4 above had been infringed by the Defendants’ use of Signs 2 and 3, but not by the Defendants’ use of Signs 1 or 4, pursuant to section 10(3) of the 1994 Act and the corresponding provisions. There is no appeal by either side against those conclusions, Falk LJ having refused the Defendants permission to appeal against the decision with respect to Signs 2 and 3.
11. It is nevertheless necessary, for reasons that will appear, to set out two passages of the judge’s reasoning concerning section 10(3). The first contains his reasons for finding that the average consumer would make a link between Signs 2 and 3 and the trade marks in question, although not Signs 1 and 4:
 - “210. If it matters, I do not consider that any link would be created between Sign 1 and any Easy group sign. The only linking factor would be presence of the word ‘Easy’, and I do not consider that that would be enough. The services provided are very different, and there is no association between the services description in the mark (Live Auction) and any component part of any Easy mark Since this point is not likely to be material to the outcome I do not dwell on it.
 211. So far as Signs 2A, 2B and 3 are concerned, I do consider that a link would be formed at least with the easyJet mark and in the mind of the average consumer who is a member of the buying public. By 2010 it had a considerable market presence and the impact of the mark is enhanced by other members of the family, as to which see above. True it is that the services are different, but the average consumer would know, from the family that I have found to exist, and indeed the easyMoney mark as well, that the word ‘easy’ was associated with services other than travel services, even though he/she would know that easyJet’s services and those of ELA were apparently not the same. I take into account that the Easy branding was almost invariably white text on an orange background, and ELA’s was white text on a blue background, but despite that I still think it likely there would be a link. Nor does the presence of the hammer (while it is there) provide a distinguishing factor removing what would otherwise be a link.

212. It is true ... that no evidence of anyone making the link was produced. ... I have borne this point in mind.
213. Nor have I ignored the fact ... that there are lot of trading entities using the word 'easy' in their title, followed by a description of goods or services. That is an important factor in the debate, which I have weighed.
214. Despite those factors, I have concluded, with the assistance of an additional matter which I am just about to mention, that a link is likely. That additional matter is what I have found Mr Burnside to have intended when he brought Sign 2 into existence. I consider that he sought to create a link with the easyJet family in the mind of the average consumer when he chose to bring his sign closer to the Easy brand sign. As I have pointed out, he was given to making allusions to other products when it suited him, and I consider that he did the same here. He accepted he was aware of easyJet at the time, and knew it was a 'big' entity, which must mean he was aware of the easyJet mark. He probably intended, in a manner he would describe as 'cheeky' (his word to characterise his other references to branding), to 'call to mind' the easyJet branding, to use the phrase appearing in the authorities. That being his intention, it hardly lies in his mouth, or the mouth of his company, to say it was completely unsuccessful, and I find that it would have been and was successful, albeit to a subtle extent. This feature is elaborated, with authorities, in my later section on passing off.
215. All that applies to Signs 2 and 3. Mr Burnside's original motivation carries over from Sign 2 to 3. However, it does not apply to Sign 4 which has moved away from the easyJet presentation. The signs are sufficiently dissimilar that I do not consider that any link will have been formed in the minds of consumers."
12. The second passage contains the judge's reasons for finding that the Defendants' use of Signs 2 and 3 took unfair advantage of the reputation of the trade marks:
- "216. I consider this requirement to be fulfilled for reasons closely allied to the last point made above. Mr Burnside intended the allusion to the mark because he thought it would bring some, albeit limited and unquantifiable, benefit to his company's business, without paying for it. ... In the metaphor of other authorities, his company was 'riding on the coat tails' of the easyJet mark and the members of its family. This sort of calculated behaviour, albeit probably lightly calculated, is in my view plainly taking unfair advantage of the mark. It is hard to see why it would not be unless it was so hopeless as to be ineffective, which this effort was not.

217. If it is necessary to prove a change of economic behaviour in order to establish actionable unfair advantage, I would hold it existed, albeit subtly. The whole purpose of the mimicry is to operate on the mind of the consumer. A consumer, and particularly the ‘retail’ bidding consumer (though probably not the auctioneer) would at least look on ELA with more favour, or perhaps less disfavour. This was an intended consequence, and amounts, if required, to a change in the consumer’s economic behaviour. That is why Signs 2 and 3 were adopted or (so far as Sign 3 carried on the work of Sign 2) maintained.”

easyGroup’s claim for passing off

13. As is well established, the three core ingredients of the tort of passing off are (i) goodwill owned by the claimant, (ii) a misrepresentation by the defendant and (iii) consequent damage to the claimant.
14. In this case there is no dispute that easyGroup owns substantial goodwill associated with the name easyJet in relation to airline travel. The judge found that, by the time Sign 3 was adopted, easyGroup also owned goodwill associated with the name easyProperty in relation to residential property lettings and sales, management services for landlords and commercial property sales. There is no challenge to that finding. The judge held that the Defendants’ use of Signs 2 and 3 amounted to a relevant misrepresentation, but that this had not caused easyGroup any damage. easyGroup appeals against the conclusion that it has suffered no damage. The Defendants contend by a respondents’ notice that the judge was wrong to find any misrepresentation. It is convenient to consider the respondents’ notice before turning to the appeal. Before doing so, it is necessary to consider the relevance of the defendant’s state of mind in passing off and trade mark cases.

The defendant’s state of mind

15. Although the action for passing off evolved from the tort of deceit, it is not a necessary ingredient of passing off that the misrepresentation was deliberate. It is established by the highest authority that the misrepresentation may be an innocent one: see, for example, *A G Spalding & Bros v A W Gamage Ltd* (1915) 32 RPC 273 at 283 (Lord Parker of Waddington). Equally, no intent is required in order to establish trade mark infringement.
16. That said, it is also clearly established that the intentions of the defendant may have evidential relevance. As Lindley LJ put it in *Slazenger & Sons v Feltham & Co* (1889) 6 RPC 531 at 538:

“... if you are driven to the conclusion that what is intended to be done is to deceive if possible, I do not think it is stretching the imagination very much to credit the man with occasional success or possible success. Why should we be astute to say that he cannot succeed in doing that which he is straining every nerve to do?”

17. The law was more completely stated by Earl Loreburn LC in *Claudius Ash Ltd v Invicta Manufacturing Co Ltd* (1912) 29 RPC 465 at 475:

“It is said in this case that the Defendants intended to deceive – not that the goods were calculated even innocently to deceive – but that there was a fraudulent intention on the part of the Defendants. That is a material fact which would be weighed duly and to which doubt great weight would be attached by any Court if it were established, because no Court would be astute when they discovered an intention to deceive, in coming to the conclusion that a dishonest defendant had been unsuccessful in his fraudulent design. When once you establish the intent to deceive, it is only a short step to proving that the intent has been successful, but still it is a step even though it be a short step. To any such charge there must be, however, two conditions. The first is that it ought to be pleaded explicitly so as to give the defendant an opportunity of rebutting the accusation of intent. The second is that it must be proved by evidence.”

18. The rationale for this principle was explained by Dixon and McTiernan JJ in *Australian Woollen Mills Ltd v F S Walton & Co Ltd* (1937) 58 CLR 641 at 657:

“The rule that if a mark or get-up for goods is adopted for the purpose of appropriating part of the trade or reputation of a rival, it should be presumed to be fitted for the purpose and therefore likely to deceive or confuse, no doubt, is as just in principle as it is wholesome in tendency. In a question how possible or prospective buyers will be impressed by a given picture, word or appearance, the instinct and judgment of traders is not to be lightly rejected, and when a dishonest trader fashions an implement or weapon for the purpose of misleading potential customers he at least provides a reliable and expert opinion on the question whether what he has done is in fact likely to deceive. Moreover, he can blame no one but himself, even if the conclusion be mistaken that his trade mark or the get-up of his goods will confuse and mislead the public.”

19. The same rationale was given by Lord Simonds in *Office Cleaning Services Ltd v Westminster Window and General Cleaners Ltd* (1946) 63 RPC 39 at 42:

“... if the intention to deceive is found, it will readily be inferred that deception will result. Who knows better than the trader the mysteries of his trade?”

20. In *United Biscuits (UK) Ltd v Asda Stores Ltd* [1997] RPC 513 Asda marketed a chocolate-coated sandwich biscuit called Puffin as a competitor to the well-known Penguin biscuit. Asda’s witnesses gave evidence that the original artwork which had been designed for the Puffin packaging had been too close to the get-up of Penguin and had been changed in order to avoid confusion, which Asda wanted to avoid. Robert Walker J said at 531:

“... it seems to me likely that [Asda’s representatives] were, under advice, seeking to make only such changes as were needed to avoid what they judged to be an unacceptable risk of being attacked for copying while maintaining Puffin’s position as an obvious competitor and parody, and (they hoped) a ‘brand-beater’. I cannot escape the conclusion that, while aiming to avoid what the law would characterise as deception, they were taking a conscious decision to live dangerously. That is not in my judgment something that the court is bound to disregard.”

Robert Walker J did not explain, however, why he considered that “a conscious decision to live dangerously” was of evidential relevance.

21. Kitchin LJ considered this in *Specsavers International Healthcare Ltd v Asda Stores Ltd* [2012] EWCA Civ 24, [2012] FSR 19:

“114. Finally, I come to the ‘living dangerously’ point. Mr Mellor submitted that if a trader takes a decision to live dangerously he recognises a risk of a successful legal action and so also recognises a likelihood that his activity will deceive some people. This submission was founded upon an observation of Robert Walker J ...

115. In my judgment it is important to distinguish between a defendant who takes a conscious decision to live dangerously and one who intends to cause deception and deliberately seeks to take the benefit of another trader’s goodwill. It has long been established that if it is shown that a defendant has deliberately sought to take the benefit of a claimant’s goodwill for himself the court will not ‘be astute to say that he cannot succeed in doing that which he is straining every nerve to do’ ... A trader who has taken the decision to live dangerously is in a different position, however. He has appreciated the risk of confusion and has endeavoured to adopt a sign which is a safe distance away. All must depend upon the facts of the particular case. Further, it must be kept firmly in mind that the ultimate question whether or not the similarity between the trade mark and the sign is such that there exists a likelihood of confusion is one for the court to determine in the light of its global assessment of all material factors, of which the intention of the defendant, as a person who knows the market in which he is offering his goods or services, is only one.

116. In the present [case], the judge carried out precisely this assessment The judge considered that the evidence of Asda ‘living dangerously’ did not, in the circumstances of this case, amount to evidence of an intention to confuse. Asda had no wish for consumer to confuse one business for another and so the judge held its intention and conduct could not be relied upon as evidence of a propensity to confuse. I am entirely satisfied that the judge was entitled to reach this conclusion ... ”

22. I adhere to what I said about *Specsavers* in *Glaxo Wellcome UK Ltd v Sandoz Ltd* [2019] EWHC 2545, [2019] RPC 27 at [188]:

“Kitchin LJ was careful in this passage not to say that a conscious decision on the part of the defendant to live dangerously could never support a claim for passing off. Counsel for Glaxo submitted that the relevance of such a state of mind was that it showed that the defendant, as a person who knew the relevant market, was aware of the risk of deception and proceeded recklessly in the sense of not taking care to avoid that risk materialising. Counsel for the Defendants submitted that, if the defendant showed that he did not want his customers to be deceived, that was probative of a lack of a likelihood of deception. In my judgment this is precisely why Kitchin LJ said that it all depended on the facts of the case. If it is proved that the defendant was aware of the risk of deception and proceeded recklessly, then that is capable of supporting the conclusion that deception was likely even if the defendant did not intend to deceive. If, however, what is proved is that the defendant was aware of the risk, but thought that he had done sufficient to avoid it materialising, then that is not supportive of the conclusion that deception was likely, but rather of the reverse.”

Misrepresentation

23. Misrepresentations which are actionable as passing off can take many different forms. easyGroup’s case is that the Defendants’ use of Signs 2 and 3 misrepresented to consumers that their services were either endorsed by, or in some other way connected in the course of trade with, easyJet and/or easyProperty. There is no dispute that in principle such a case is sustainable. As Goff LJ said in *H.P. Bulmer Ltd v J. Bollinger SA* [1978] RPC 79 at 117:

“It is sufficient in my view if what is done represents the defendant's goods to be connected with the plaintiff’s goods in such a way as would lead people to accept them on the faith of the plaintiff's reputation. Thus for example it would be sufficient if they were taken to be made under licence, or under some trading arrangements which would give the plaintiff some control over them...”

24. The judge reasoned as follows:

“231. The claimant has a good starting point for this case, ... I have found that Sign 2 was deliberately created to form a link with, or to make an allusion to, easyJet at least. The strength of the allusion, subjectively speaking, was probably increased by the existence of the family of marks. That being the case, a ‘connection’ with easyJet was intended in the sense that it was intended to suggest that ELA’s business was somehow connected with the easyJet brand. Just as I was prepared to conclude that there was a link for the purposes of section 10(3),

starting from Mr Burnside's intention to create one, I consider it right to take that intention as a strong starting point in the inquiry as to its effect for the purposes of passing off. ...

232. It is true that in this case the point is not explicitly pleaded, but the deliberate adoption of the appearance of Signs 2 and 3 to form a link in the mind of the public was firmly put to Mr Burnside ... and he had a sufficient opportunity to meet it without its being pleaded. It was not unfair to mount that challenge and he has had a fair opportunity of rebutting it. The intention was sufficiently proved by the evidence that I have referred to above under the consideration of section 10(3).
233. ... It is unnecessary to brand Mr Burnside as dishonest for these purposes, and I do not do so, but his deliberate acts fit with the principles in [*Australian Woollen Mills*].
234. So, as I have observed, the claimant has a good starting point in demonstrating the necessary misrepresentation and its propensity to mislead. I should only reject that case if it were clear enough that the deliberate act was ineffective to achieve the intended result, and I find that there is no real evidence of that. Whether, were I to be starting from a position in which that evidence of intention did not exist I would come to the same conclusion is perhaps not that easy, particularly in the light of the very different businesses of easyJet and its family (which is usually an important pointer against misrepresentation - see *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697), but I do not need to go down that particular line of inquiry. I do not ignore that sort of evidence, but pointers the other way do not, in my view, negate the natural inference to be drawn from my finding as to Mr Burnside's intention.
235. I therefore find that the deployment of Signs 2 and 3 amounted to a relevant misrepresentation of connection between ELA and the Easyjet brand and its family, and it would mislead a relevant portion of the average consumers, particularly the bidder/consumer. I do not need to consider the position of easyProperty.”
25. The Defendants challenge this reasoning on three inter-related grounds. The first is that, if and insofar as the judge found an intention to deceive, that finding was not open to him because no such allegation had been pleaded by easyGroup or advanced at trial. The second ground is that the judge's finding that Mr Burnside was not dishonest is inconsistent with any finding of an intention to deceive. The third ground is that, if it was not an intention to deceive, the state of mind which the judge found Mr Burnside to have had in the context of the section 10(3) claim is incapable as a matter of law of supporting an allegation of misrepresentation in passing off.
26. Well argued though these grounds were by counsel for the Defendants, I am unable to accept them.

27. So far as the first ground is concerned, easyGroup pleaded in paragraph 48.3 of its Amended Particulars of Claim:

“The Claimant enjoys an excellent reputation based on the high standards of the services provided by and/or licensed by the Claimant under the Registered Marks and, in particular, the easyJet Marks. Consumers who are aware of the easyJet Mark reputation and/or the ‘Easy’ Family Mark Reputation will have formed a positive view of the Claimant and/or its goods and services. By wrongly creating a link with the Claimant, the Defendants benefit from an association with that positive view. Such benefit is unfair because it arises from the Defendants’ deliberate acts of infringement.”

28. Although the last sentence is not as clear as it might be, I consider that it was adequate to give the Defendants notice that easyGroup was alleging that they were deliberately, i.e. intentionally, seeking to benefit from consumers associating their services with the reputation of easyJet and the “easy” family of businesses. While this plea was directed to easyGroup’s case on section 10(3), by paragraph 49 it was also relied upon in support of the claim for passing off.
29. Furthermore, counsel for easyGroup expressly put it to Mr Burnside in cross-examination that he had made the changes which resulted in Signs 2 and 3 “deliberately so that it is more likely that somebody seeing one of the subsequent signs ... would be more likely to form some sort of link and call to mind the easy branding”. Counsel for the Defendants rightly did not object that this question was making an unpleaded allegation. Counsel for easyGroup also submitted in his closing submissions that there was “a deliberate and subjective intention to ride on the coat tails of” the reputation of the “easy” family of trade marks, and relied upon the same matters in support of the claim for passing off.
30. It follows that there was no procedural unfairness in the judge making the findings as to Mr Burnside’s state of mind that he did at [192]-[197], [214], [216]-[217] and [231]-[233].
31. Turning to the second ground, it seems to me that, when the judge found that Mr Burnside was not dishonest, what the judge must have meant was that Mr Burnside had not intended to divert any trade from any of easyGroup’s licensees. I see no inconsistency between this and the state of mind which the judge found Mr Burnside did have, namely an intention to misrepresent ELA’s services as having some connection with easyJet and other members of the “easy” family.
32. That leaves the third ground. It is important here to distinguish between two separate questions which counsel for the Defendants’ submissions tended to elide. First, what amounts to an actionable misrepresentation for the purposes of passing off? Secondly, what evidence is capable of supporting a finding of misrepresentation?
33. So far as the first question is concerned, I have already explained that the misrepresentation alleged by easyGroup is in principle actionable as passing off. The judge’s conclusion at [235] (“a relevant misrepresentation of connection between ELA

and the Easyjet brand and its family”) was that easyGroup had made out its case on misrepresentation.

34. Turning to the second question, the judge treated Mr Burnside’s state of mind as evidence which was supportive of easyGroup’s case, but not determinative. Misrepresentation in passing off cases is a question of fact: see *Reckitt & Colman Products Ltd v Borden Inc* [1990] 1 WLR 491 at 499 (Lord Oliver of Aylmerton). There is no single meaning rule, and it is sufficient if a substantial number of consumers would be misled: see *Neutrogena Corp v Golden Ltd* [1996] RPC 473. It follows that this Court is not entitled to interfere with the judge’s conclusion unless it was rationally unsupportable: see *Volpi v Volpi* [2022] EWCA Civ 464, [2022] 4 WLR 48 at [2](v) (Lewison LJ). In my judgment it was open to the judge, having regard to the principles discussed in paragraphs 14-21 above, to treat Mr Burnside’s intention as evidence which was supportive of easyGroup’s case. The weight to be given to that factor was a matter for him. It was not the only evidence he took into account. His overall conclusion was rationally supportable.

Damage

35. It is extremely rare for a passing off claim to fail on the ground that, although the claimant owns goodwill and the defendant has made an actionable misrepresentation, the claimant has not suffered any damage. This is because of the obvious propensity for relevant misrepresentations to be damaging to the claimant’s goodwill.
36. The judge found that there could not be a realistic suggestion that there had been any diversion of trade because of the absence of any overlap between the businesses of easyGroup’s “franchisees” (as he called them) on the one hand and that of ELA on the other hand. He also held that there was no real likelihood of damage to the repute of easyGroup’s brands. There is no challenge by easyGroup to those conclusions. The appeal concerns the judge’s rejection of a third head of damage claimed by easyGroup in the last sentence of [237]:

“[Counsel for easyGroup] relied on benefit to the defendants in being able to use Signs 2 and 3 without a licence as giving rise to damage because the ability of the claimant to charge others for a licence would be diminished, but I am afraid I do not understand that logic.”

37. As counsel for easyGroup submitted, it is not clear whether the judge meant that this head of damage could not be claimed as a matter of law or on the facts, although the former seems more likely.
38. If the judge did mean that such damage could not be claimed as a matter of law, he was in error, although he can be forgiven for the error since he was not referred to any of the relevant authorities. It is sufficient for present purposes to refer to three decisions of this Court over the last 20 years.
39. The first is *Irvine v Talksport Ltd*. In that case Eddie Irvine was a well-known Formula 1 racing driver. Prior to the events in question, Mr Irvine had entered into a number of lucrative agreements to endorse products such as sunglasses, clothing, racing helmets and footwear. The defendant broadcasted a radio station. The defendant advertised its

station by means of a brochure with a photograph of Mr Irvine which had been manipulated so that, instead of holding a mobile phone as in the original photograph, he appeared to be holding a radio bearing the name of the defendant's station. Laddie J upheld Mr Irvine's claim for passing off on the basis of a misrepresentation of endorsement, and awarded damages of £2,000.

40. In his judgment on liability [2002] EWHC 367 (Ch), [2002] 1 WLR 2355 Laddie J said:

“38. ... If someone acquires a valuable reputation or goodwill, the law of passing off will protect it from unlicensed use by other parties. Such use will frequently be damaging in the direct sense that it will involve selling inferior goods or services under the guise that they are from the claimant. But the action is not restricted to protecting against that sort of damage. The law will vindicate the claimant's exclusive right to the reputation or goodwill. It will not allow others to so use goodwill as to reduce, blur or diminish its exclusivity. It follows that it is not necessary to show that the claimant and the defendant share a common field of activity or that sales of products or services will be diminished either substantially or directly, at least in the short term. Of course there is still a need to demonstrate a misrepresentation because it is that misrepresentation which enables the defendant to make use or take advantage of the claimant's reputation.

39. Not only has the law of passing off expanded over the years, but the commercial environment in which it operates is in a constant state of flux. Even without the evidence given at the trial in this action, the court can take judicial notice of the fact that it is common for famous people to exploit their names and images by way of endorsement. They do it not only in their own field of expertise but, depending on the extent of their fame or notoriety, wider afield also. It is common knowledge that for many sportsmen, for example, income received from endorsing a variety of products and services represents a very substantial part of their total income. The reason large sums are paid for endorsement is because ... those in business have reason to believe that the lustre of a famous personality, if attached to their goods or services, will enhance the attractiveness of those goods or services to their target market. In this respect, the endorsee is taking the benefit of the attractive force which is the reputation or goodwill of the famous person.”

41. This Court dismissed the defendant's appeal, allowed an appeal by Mr Irvine and awarded him £25,000 in damages: [2003] EWCA Civ 423, [2003] 1 WLR 1576. On the quantum of damages, Jonathan Parker LJ (with whom Brooke and Schiemann LJ agreed) held at [104] that Laddie J had been “plainly correct to conclude [in his judgment on quantum] that the principles identified by Lord Wilberforce in *General Tire* are applicable to the issue as to what would be a reasonable fee for Mr Irvine's endorsement of Talk Radio”. The principles to which Jonathan Parker LJ was referring were those expounded by Lord Wilberforce in *General Tire and Rubber Co v Firestone*

Tyre and Rubber Co Ltd [1976] RPC 197 at 213-214 concerning cases in which a patentee has neither lost profits from selling patented products nor lost royalties from an established business of licensing the patent. Lord Wilberforce approved the statement of principle of Fletcher Moulton LJ in *Meters Ltd v Metropolitan Gas Meters Ltd* (1911) 28 RPC 157 at 164-165 that it was right for the court “to consider what would have been the price which ... could reasonably have been charged for [obtaining the patentee’s] permission [to use the invention], and estimate the damage in that way”.

42. The approach described by Fletcher Moulton LJ has subsequently come to be referred to as being based on the “user principle” and as enabling the court to award “negotiating damages” for use of the claimant’s property by the defendant without the claimant’s consent even if the claimant has suffered no other loss or damage: see in particular *One-step (Support) Ltd v Morris-Garner* [2018] UKSC 20, [2019] AC 649. In that case, Lord Reed, with whom Baroness Hale of Richmond, Lord Wilson and Lord Carnwath agreed, drew at [95] the following conclusions from his review of the authorities on this question:

- “(1) Damages assessed by reference to the value of the use wrongfully made of property ... are readily awarded at common law for the invasion of rights to tangible moveable or immoveable property (by detinue, conversion or trespass). The rationale of such awards is that the person who makes wrongful use of property, where its use is commercially valuable, prevents the owner from exercising a valuable right to control its use, and should therefore compensate him for the loss of the value of the exercise of that right. He takes something for nothing, for which the owner was entitled to require payment.
- (2) Damages are also available on a similar basis for patent infringement and breaches of other intellectual property rights.”

43. The second case is *Fine & Country Ltd v Okotoks Ltd* [2013] EWCA Civ 672, [2014] FSR 11. That was a passing off case concerning estate agents. Lewison LJ, with whom Gloster and Lloyd LJ agreed, said at [57]:

“GPEA carries on the business of licensing estate agents to use the Fine & Country brand, and organises nationwide advertising (and the website) for them. In substance it is a franchisor of the Fine & Country brand. As [counsel for the claimants] rightly submits there need be no common field of activity between claimant and defendant in a passing off action. But in any event the fields of activity are sufficiently close. If the brand is damaged, GPEA’s ability to attract licence fees will also be damaged. Its ability to attract licence fees is itself goodwill.”

He went on at [76]-[78] to hold that the judge had been entitled to find that GPEA was beginning to lose potential licensees to the defendant.

44. The third case is *Fenty v Arcadia Group Brands Ltd* [2015] EWCA Civ 3, [2015] 1 WLR 3291. In that case the claimant was the pop star Rihanna, who had a substantial licensing and merchandising business. The defendant had sold t-shirts bearing an image

of her. The judge held that this amounted to passing off, and this Court dismissed the defendant's appeal. Kitchin LJ, with whom Underhill and Richards LJ agreed, said at [38] that Rihanna's allegation that "she had suffered damage to the goodwill in her business as a result of the misrepresentation, implied in all the circumstances, that she had endorsed the t-shirt" disclosed "a sustainable case in passing off", citing with approval the analysis of Laddie J in his judgment on liability in *Irvine v Talksport* at [38]-[39]. Kitchin LJ went on to hold that the judge had been entitled to find this case established on the evidence. Although Kitchin LJ did not specifically discuss the damage which Rihanna had suffered, it is clear from his approval of Laddie J's reasoning that this was the loss of the fee she could have charged for her endorsement.

45. It is clear from this line of cases that, in principle, the claimant in a passing off action may claim damages on the footing that it has lost licensing income as a result of the misrepresentation.
46. Turning to the facts of the present case, easyGroup puts its claim on two bases. The first is that easyGroup lost the opportunity to license ELA. The second is that ELA's actions undermined easyGroup's business of licensing third parties. The judge's reasoning does not engage with either basis, and therefore it is necessary for this Court to consider the matter afresh.
47. So far as the first basis is concerned, counsel for the Defendants argued that this was not sufficient to complete a cause of action for passing off, since otherwise the claim would be entirely circular. A claimant would only be entitled to charge a defendant a licence fee if the defendant's acts would amount to passing off, but those acts would only amount to passing off because the claimant had been deprived of the licence fee.
48. There are two answers to this argument. The first and simplest answer is that this Court is bound by the authorities discussed above.
49. The second and more satisfactory answer is that the claim is justified as a matter of principle. This is because it was established by the decision of the House of Lords in *Spalding v Gamage*, and has subsequently been confirmed by the decisions of the House of Lords in *Erven Warnink BV v J. Townend & Sons (Hull) Ltd* [1979] AC 731 and *Reckitt & Colman* (cited above) and of the Supreme Court in *Starbucks (UK) Ltd v British Sky Broadcasting Group plc* [2015] UKSC 31, [2015] 1 WLR 2628, that a claim for passing off protects the "property in the business or goodwill likely to be injured by the misrepresentation" (Lord Parker in *Spalding* at 284). Given that the juridical basis of the action is invasion of property, it naturally follows that damages assessed according to the user principle should be available. This also explains why the alternative remedy of an account of profits is available.
50. It is fair to say that this principle is not entirely easy to reconcile with the principle, which is also well established in the case law, that damage, or the likelihood of damage, is an essential ingredient of the tort: see e.g. *Erven Warnink* at 742 (Lord Diplock) and *Reckitt & Colman* at 499 (Lord Oliver).
51. It appears to me that the current state of the law is that the way in which these two principles are to be reconciled is as follows: a claimant who has no existing or prospective endorsement or licensing business cannot rely *solely* upon the loss of the fee that it would have charged for consenting to the acts complained of as completing

its cause of action; but a claimant which does have an existing endorsement or licensing business can in principle rely upon the loss of that fee for that purpose even if the acts complained of are not of precisely the same kind as the claimant has previously endorsed or licensed; and the same may be true of a claimant which has a prospective endorsement or licensing business (e.g. a celebrity who has not yet started such a business but is at the point where they could do so). I have been assisted in reaching this conclusion by the discussion in *Wadlow on the Law of Passing Off* (6th ed) at 4-87 to 4-93.

52. In the present case, easyGroup is on the right side of this line. It had at the material times a well-established business in licensing a wide variety of businesses, including in particular easyProperty, to use the “easy” branding identified in paragraph 3 above. It follows that easyGroup can rely upon its loss of the fee which it could have charged ELA to use Signs 2 and 3 to complete its cause of action.
53. Turning to the second basis, easyGroup says that it would significantly reduce its chances of attracting paying licensees, particularly in the auction field, if an unlicensed competitor is permitted to take advantage of its goodwill without paying for that privilege. Counsel for the Defendants’ only answer to this contention was to point out that easyGroup had not adduced any evidence to support it. In my judgment evidence is not required, because the inference is an obvious one given the nature of easyGroup’s business and the judge’s finding on misrepresentation.
54. I therefore conclude that the judge should have held that easyGroup had suffered damage as a result of the misrepresentation he found, and therefore should have held that the claim for passing off succeeded. Whether this makes any material difference to the remedies to which easyGroup is entitled is open to serious doubt, but that is a different question.

The declaration of non-infringement

55. By paragraph 1 of his order the judge declared that the Defendants had infringed the trade marks referred to in paragraph 4 above by using Signs 2 and 3. By paragraphs 2 and 3, he declared that the use of the following did not infringe any of the trade marks relied upon by easyGroup in these proceedings: (a) Sign 1; (b) Sign 4; (c) “the words ‘EASY LIVE AUCTION’ and/or ‘EASYLIVEAUCTION’ in plain text without more in non-stylised, non-logo form”; and (d) “the domain name easyliveauction.com”. By paragraph 5 of his order the judge granted an injunction in conventional form to restrain future trade mark infringement.
56. easyGroup appeals on three grounds. The first is that the Defendants did not counterclaim for a declaration of non-infringement. Although counsel for easyGroup faintly submitted that it followed that no such declaration should have been granted, he rightly did not press this submission. The reason for this is that what led to the declaration being granted was a suggestion made by counsel for easyGroup himself during the course of argument over the form of order. easyGroup was seeking a conventional, broad injunction to restrain future infringement of the trade marks which the judge had held the Defendants to have infringed. The Defendants expressed concerns as to the chilling effect of such an injunction. Counsel for easyGroup suggested that such concerns could be addressed by the grant of a declaration of non-infringement, or a proviso to that effect, in relation to Sign 4, and before this Court he

accepted that the same logic applied to Sign 1. Consistently with this, easyGroup does not appeal against sub-paragraphs (a) and (b) of the declaration. It was this suggestion that led to counsel for the Defendants requesting that a broader declaration be granted by the judge if he was minded to grant the injunction sought by easyGroup. The judge decided to grant the injunction as requested by easyGroup, and addressed the Defendants' concerns by the declaration he made. It was within the judge's discretion to proceed in that manner when fashioning the appropriate remedy to grant easyGroup.

57. Secondly, easyGroup contends that the judge should not have granted sub-paragraphs (c) and (d) of the declaration because there was no finding in his judgment to support those parts of the declaration. It is common ground that the judge did not expressly make any finding that use of the signs EASY LIVE AUCTION or EASYLIVEAUCTION or easyliveauction.com otherwise in the form of Sign 2 and Sign 3 did not infringe, but in my judgment this is implicit in his reasoning. This is subject to the points discussed below.
58. Thirdly, easyGroup contends that, even if it was open in principle to the judge to grant a declaration, sub-paragraph (c) is objectionable because it is too uncertain. easyGroup points out that the declaration was devised "on the hoof" during the course of oral argument, and therefore neither the parties nor the judge had a proper chance to consider its wording. easyGroup contends that the wording is uncertain in three respects. First, it is uncertain what fonts it covers. It is common ground that ELA should not be able to use the distinctive Cooper Black font used by easyGroup's licensees, but the declaration arguably permits this. Secondly, it is uncertain what colours it covers. It is common ground that ELA should not be able to use the specific shade of orange used by easyGroup's licensees, but the declaration arguably permits this. Thirdly, the declaration is unlimited as to goods or services, and thus arguably permits ELA to use the signs in question in relation to, for example, a residential and/or commercial property auction business.
59. Counsel for the Defendants' only answer to these points was to argue that they were artificial and speculative. I disagree. The point of the declaration is to enable the parties to know what the Defendants can do without infringing the trade marks. For that purpose it needs to be precise. Sub-paragraph (c) as granted by the judge does not achieve that purpose. The problem can readily be fixed, however, by adding the words I have underlined: "in any non-stylised, non-logo form used by the First Defendant before 13 October 2022". 13 October 2022 was the last day of the trial. This protects the Defendants if ELA uses the signs in any form or manner, other than Signs 2 and 3, which it had used up to that point, but means that easyGroup is not precluded from complaining if ELA does anything of the things discussed in the preceding paragraph.

Conclusion

60. I would allow the appeal to the extent stated above.

Lady Justice Falk:

61. I agree.

Lord Justice Lewison:

62. I also agree.