



Neutral Citation Number: [2008] EWHC 361 (Ch)

Case No: 1HC 710/07

**IN THE HIGH COURT OF JUSTICE**  
**CHANCERY DIVISION**  
**INTELLECTUAL PROPERTY DIVISION**

Royal Courts of Justice  
Strand, London, WC2A 2LL

Date: 20/02/2008

**Before:**

**MR. JUSTICE MORGAN**

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**Between:**

**VICTOR ANDREW WILSON**

**- and -**

**(1) YAHOO! UK LTD**

**(2) OVERTURE SERVICES LTD**

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**Claimant**

**Defendants**

**THE CLAIMANT** appeared in person.

**MR. B. BRANDRETH** (instructed by Messrs. Bird & Bird) for the Defendants.

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**Approved Judgment**

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**MR. JUSTICE MORGAN:**

1. This is an application by the defendants for summary judgment against the claimant and/or for an order striking out the claimant's claim against the defendants.
2. I will begin by describing who the parties are. There is a description of the claimant, written by himself, in some Particulars of Claim which he prepared at an early point in this action. It was at the point when the defendant was Sainsbury's plc and did not include the present defendants. None the less, it appears helpful to describe the claimant in his own words. What he said was that he had carried on business as a mobile caterer in the name or style of "Mr. Spicy", which he described as "the Trade Name", since 1985. He said his business included selling Afro-Caribbean and Halal South Asian snacks under that Trade Name, first, from a van and later from a trailer at carnivals, melas and other festivals throughout London. He stated that over the years members of the public who attended such events regularly came to know the claimant and his delicacies. He said many such persons enjoyed his products and recommended them to others.
3. There is something not quite right in the next part of the pleading but, putting it in my own words, what Mr. Wilson, the claimant, said was that members of the public sought out his trailer by reference to the Trade Name and they associated that Trade Name with him and not with anyone else.
4. Before turning to the defendants, it is convenient to recite that Mr. Wilson brings this claim as proprietor of a Community Trade Mark. The Community Trade Mark in question has the number 002398014. The trade mark consists of the two words MR. SPICY and the claimant pleads that that trade mark is registered in relation to three classes of goods or services. They are: Class 29, which refers to meat, fish, poultry and game; Class 30, which refers to sauces (condiments), spices (including prepared meals and snacks whose main ingredients are proper to this Class); and Class 42, providing food and drink and including restaurant and bar services. It is not necessary to go into the history of the registration of that trade mark save to say that the claimant pleads that he was duly registered and the fact of registration was published on 24<sup>th</sup> March 2003.
5. Turning to the defendants, I take a brief description of the defendants from the defence they have served in these proceedings. Starting with the second defendant, Overture Services Ltd, it is said to be the provider of "sponsored search engine technology". The first defendant, Yahoo UK Ltd is said to make the second defendant's sponsored search engine results available to the public, e.g. through its website at the domain yahoo.co.uk. The first defendant is also the provider of separate search engine technology. The first and second defendants are connected, as they are both subsidiaries of Yahoo Inc, a corporation based in the United States.
6. I now turn to the claim which is made in the pleadings which have already been served by the claimant. Towards the end of this judgment I will refer to a Draft Amended Particulars of Claim and consider the new allegations made in the draft amendments. But in the first part of this judgment I will address the claims which are extant in the existing pleadings and which are the target of the defendants' applications for summary judgment or to strike out the claim.

7. I will read paragraph 3 of the existing Particulars of Claim as it is set out. It may be that there are one or two grammatical glitches in the wording, but I will read it as it is in the pleading. It reads as follows:

“The claimant believes that the defendants has infringed the exclusive rights conferred by Article 9(1)(a) of the Community Trade Mark Regulations (Council Regulation EC No. 40/94 of 20 December 1993 on the Community Trade Mark) by use made (whether by accident, negligence and/or intent) in the course of trade after the date of publication of registration the sign ‘Mr. Spicy’ a sign that is identical to the CTM in relation to goods or services that are identical to those for which the CTM is registered without the claimant’s consent.”

8. I should add at this point that the word “CTM” which is used in the passage I have read out is defined elsewhere in the pleading as meaning the Community Trade Mark which is MR. SPICY.
9. Under paragraph 3 of the existing Particulars of Claim there are certain particulars given. They are in these terms:

“Until after disclosure and further information from the defendant the best particulars of the claim it can give are as follows: (a) In or about November 2006 when a browser typed in the keyword ‘Mr. Spicy’ on Yahoo UK and Ireland and other search engines, it would direct them to Sainsbury’s Supermarket Ltd’s website [www.sainsbury’s.co.uk](http://www.sainsbury's.co.uk) [Class 42 providing food and drink including restaurant and bar services] under the commercial search results (‘sponsored listings’).

In or about December 2006 it would also direct them to Pricegrabber.com Ltd’s website [www.pricegrabber.co.uk](http://www.pricegrabber.co.uk).

(b) The claimant will rely on a webpage published on a Yahoo search, UK and Ireland, a copy of which appears on page 2 to 3 of the bundle.”

10. The Particulars of Claim appear to be a claim to recover damages, and interest on such damages, resulting from the infringement. The Particulars which I have read cross-refer to a part of a webpage which is attached to the Particulars of Claim. It is convenient to summarise what is shown by the print-out from the webpage. This is plainly something that appeared on the screen when a browser or a searcher typed in the words “Mr. Spicy” in the defendants’ search engine. The page which has been printed and referred to in the Particulars of Claim shows a search that was carried out on 14<sup>th</sup> December 2006. I understand the search was done by Mr. Wilson himself.
11. The search results show that there were 515 responses to the search query “Mr. Spicy”. The pages in the bundle show the first 10 of those responses. I am not asked to pay any specific attention to the 10 responses which are shown in this way. Instead, my attention has been drawn to two features of the page as printed. The first

is that before the numbered responses there are two items under the heading “Sponsor Results”. The first of these refer to Sainsbury’s and the second refers to Pricegrabber.

12. It is relevant, I think, to refer to the precise terms in which the sponsor results are given. The first, relating to Sainsbury’s, is in these terms: “Delicious meal ideas for all occasions [www.sainsbury’s.co.uk](http://www.sainsbury's.co.uk), food news, inspiration and recipes from Sainsbury’s on-line.” That is the entry for Sainsbury’s. I comment that there is no use in that entry of the word “spicy” or of “Mr. Spicy”. The second entry relates to Pricegrabber and the entry there begins with the word “spicy” underlined. It then follows with: “[www.pricegrabber.co.uk](http://www.pricegrabber.co.uk), compare prices on a variety of products at Pricegrabber.”
13. It can be seen that if one puts “Mr. Spicy” as a search query into the search engine operated by Yahoo one gets these two links, one to Sainsbury’s and one to Pricegrabber. They are said to be links to sponsors and they come before the numbered responses which I have referred to. The second feature of this page to which my attention is drawn is that on the right hand side of the page, the right hand side being largely blank, there is the heading “Sponsor Results” and, underneath, the words “Advertise your site here”. So what is being communicated by Yahoo to whoever it is who is carrying out the search and looking at this screen is that it will be possible for that person to contact Yahoo to place an advertisement for that person’s site on a page such as this, to be seen no doubt when someone else types in the combination of words “Mr. Spicy”.
14. That is the way in which the infringement is pleaded by Mr. Wilson at the present time and before I come in due course to deal with the draft amendments to the Particulars of Claim.
15. Because that pleading refers to the Council Regulation dealing with Community Trade Marks it is convenient for me to go to that Council Regulation at this point and refer to all of the relevant provisions, although I will defer discussion of their application until later in this judgment. The pleading identified Council Regulation No. 40 of 94. My attention was drawn to one of the recitals to that Regulation which is in these terms:

“Whereas the protection afforded by a Community Trade Mark, the function of which is in particular to guarantee the trade mark as an indication of origin, is absolute in the case of identity between the mark and the sign and the goods or services, whereas the protection applies also in cases of similarity between the mark and the sign and the goods or services, whereas an interpretation should be given of the concept of similarity in relation to the likelihood of confusion, whereas the likelihood of confusion, the appreciation of which depends on numerous elements and in particular on the recognition of the trade mark on the market, the association which can be made with the used or registered sign, the degree of similarity between the trade mark and the sign and between the goods or services identified constitutes the specific condition for such protection.”

16. I have read the entirety of that recital although it is fair to say that emphasis is placed on the opening lines which identify the function of a trade mark; the character or nature of the protection afforded by the trade mark which is to guarantee the trade mark as an indication of origin.
17. Article 1(1) defines “Community Trade Mark” and refers to it as a trade mark for goods or services registered in accordance with the regulation. Article 4 identifies the range of signs of which a Community Trade Mark “may consist and, in particular, a Community Trade Mark may consist of any signs capable of being represented graphically, particularly words ...”. Without reading the entirety of that, the words which are, individually, ordinary English words, “Mr. Spicy” can be a sign for which a Community Trade Mark can be registered.
18. I draw attention to Article 7(1)(c) which is referred to in the defence. It is not a topic that has been argued on the present application but for the sake of completeness I simply note that Article 7(1)(c) contains, amongst the absolute grounds for refusal, suggested trade marks which are non-distinctive because, for example, they designate the kind or quality or other characteristics of certain goods or services.
19. The Article which is of principal relevance is Article 9 and I ought to read some parts of Article 9. Article 9(1) provides as follows:

“A Community Trade Mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade (a) any sign which is identical with the Community Trade Mark in relation to goods or services which are identical with those for which the Community Trade Mark is registered; (b) any sign where, because of its identity with or similarity to the Community Trade Mark and the identity or similarity of the goods or services covered by the Community Trade Mark and the sign, there exists a likelihood of confusion on the part of the public, the likelihood of confusion includes the likelihood of association between the sign and the trade mark; (c) any sign which is identical with or similar to the Community Trade Mark in relation to goods or services which are not similar to those for which the Community Trade Mark is registered where the latter has a reputation in the Community and where use of that sign, without due cause, takes unfair advantage of or is detrimental to the distinctive character or the repute of the Community Trade Mark. ”
20. Because of a submission made by Mr. Wilson in the course of his address to me, I will also refer to 9(2). Article 9(2) reads as follows:

“The following, *inter alia*, may be prohibited under paragraph 1: (a) affixing the sign to the goods or to the packaging thereof; (b) offering the goods, putting them on the market or stocking them for these purposes under that sign, or offering or supplying services thereunder; (c) importing or

exporting the goods under that sign; (d) using the sign on business papers and in advertising.”

21. I think I need not read Article 9(3). I draw attention to Article 12 which is referred to in the defence. That identifies certain limitations on the effects of the Community Trade Mark and it indicates the extent to which the trade mark does not entitle the proprietor to prohibit a third party from using, in the course of trade, certain indications concerning the kind or quality or characteristics of the goods or service. This is subject to the proviso that the third party uses them in accordance with honest practices in industrial or commercial matters.
22. The application which is before the court today was made by the defendants on 24<sup>th</sup> October 2007. In short, the application was for summary judgment under rule 24.2 or for the claim to be struck out under rule 3.4. The basis of the application is the defendants have not used and have therefore not infringed the claimant’s trade mark and the claimant has no real prospect of succeeding on his claim of infringement. It is further said that the Particulars of Claim disclose no reasonable grounds for bringing the claim and there is no other compelling reason for the case to be disposed of at a trial.
23. In the course of the argument reference has been made to the terms of rule 3.4 and rule 24.2. Those rules are well known and I need not read them into this judgment. The settled practice and the principles which apply under those rules are equally well known and, with one exception, I do not need to attempt a re-statement of those rules and that practice.
24. However, I will refer to one paragraph which may have particular relevance to today’s hearing, the paragraph being in a judgment given by Potter LJ in *ED&F Man Liquid Products Ltd v. Patel* which is reported under this reference [2003] C.P Reports 51. It was a case in which the court had to consider whether certain allegations had a real prospect of success. Reference was made, amongst other rules, to rule 24.2. Potter LJ said this at paragraph 10:

“It is certainly the case that under both rules where there are significant differences between the parties so far as factual issues are concerned, the court is in no position to conduct a mini-trial: see per Lord Woolf, MR, in *Swain v. Hillman* [2001] 1 All ER 91 at 95 in relation to rule 24. However, that does not mean that the court has to accept without analysis everything said by a party in the statements before the court. In some cases it may be clear that there is no real substance in factual assertions made, particularly if contradicted by contemporary documents. If so, issues which are dependent upon those factual assertions may be susceptible of disposal at an early stage so as to save the costs and delay of trying an issue, the outcome of which is inevitable.”

I will not read out the reference but Potter LJ refers to the White Book and to the speech of Lord Hope of Craighead in *Three Rivers District Council v. Bank of England* (No. 3).

25. I have now identified the parties, identified the nature of the allegations made by the claimant and the basic procedural rules which apply. I can go from there to some of the matters which are helpfully set out in the defence which has been served in these proceedings.
26. First of all, to get it out of the way, I note that the defendants do not accept that Mr. Wilson's trade mark is valid and subsisting. They draw attention to Article 7(1)(c) of the Council Regulation and suggest that there was an absolute bar to such a mark being registered. However, the mark has not been revoked. There is no counterclaim for a declaration of invalidity and I proceed in today's application on the basis that the Community Trade Mark is valid and subsisting.
27. Secondly, and in like vein, I draw attention to paragraph 17 of the defence which relies upon Article 12(d) of the Council Regulation as to what uses are permitted. That matter has not been explored in the course of argument today and is not the basis of the application to strike out the claim or to have summary judgment on the claim.
28. The defence sets out a number of facts and, as I am satisfied the pleaded facts are substantiated by witness statements, it is convenient to describe the facts as pleaded. Starting with paragraph 5 of the amended defence, there is a description of the search engine technologies of both defendants. Much of this is well known to the general public and I need not restate obvious matters. However, relevant for today's purpose is the fact which is pleaded that if one puts a word or combination of words called "a search query" into a search box as offered by the defendants' technology, then, in the ordinary way, the response which will be provided to the search query will involve two lists of URLs. The pleader does not give one a definition of URL but I understand URL to mean "Uniform Resource Locator".
29. The two lists can be divided in this way. The first list produces natural results and they are a response to the search query terms. Reminding oneself of the results obtained by Mr. Wilson in December 2006, the 515 responses which were there referred to were the natural results from putting in the search query "Mr. Spicy".
30. Rather more relevant is the second list which is described as "sponsored results" where liability for payment potentially exists on the part of an advertiser who has sponsored something which has led to the advertiser's details appearing in the responses. Again, reminding oneself of the print-out attached to the Particulars of Claim, it is clear that the responses which referred to Sainsbury's and Pricegrabber show that those two were sponsors or advertisers.
31. The pleading goes on to say that in the present case no one, not Sainsbury's, not Pricegrabber, indeed, no third party has ever selected "Mr. Spicy" as a keyword which, when used by a browser would result in the bidder for the keyword being shown as a sponsor. Instead the position is described in paragraph 8 of the defence that Sainsbury's Supermarkets Ltd and Pricegrabber.com Ltd selected a number of keywords from one of the defendants, all of those keywords featuring the word "spicy". By way of example, it is stated that Sainsbury's selected "spicy", "spicy parsnip soup", "spicy soup" and "cooking spicy" and indeed other phrases, either being the word "spicy" or containing the word "spicy".

32. The pleading goes on to say that when someone, including Mr. Wilson himself, searched the defendants' search engines using the phrase "Mr. Spicy" as the search query, they would have and did produce sponsored results from Sainsbury's and Pricegrabber. That is essentially because the search query "Mr. Spicy" included the word "spicy". Those are the essential matters which are pleaded as matters of fact in the defence.
33. It is also convenient, I think, to refer to the helpfully concise way in which the legal defences which are now being put forward are described in the defence. The first point that is made is that the defendants have not used the Community Trade Mark at all. The only use of the Community Trade Mark has been by the search engine user; that is, the member of the public, the third party, who accesses the defendants' technology and types in the words which are the words of the trade mark.
34. In the alternative to that plea it is stated that if, by some process of reasoning, one holds that the defendants did use the phrase "Mr. Spicy" then they did not use it in respect of the goods or services for which it is registered. It will be remembered that that phrase appears in part of Article 9 of the Council Regulation.
35. There is a further alternative pleaded, that if the production of URL lists, including URLs from the sponsors, is use of the keywords by the defendants in relation to good and services of the sponsors then no use is being made of the sign "Mr. Spicy".
36. It is then next pleaded that if what has happened here is that there has been use by the defendants of the keyword "spicy" then that is not an identical sign to "Mr. Spicy" and it is not in relation to identical goods and services and there is no likelihood of confusion.
37. And, finally, it is pleaded that use of keywords in the way described within search engine technology is not "trade mark" use and, as such, is not a use relevant to infringement under Article 9 of the Council Regulation.
38. Perhaps one can summarise those various ways of putting the defence into three categories. The first, drawing together paragraphs 11, 13 and 14, appears to be an assertion that there has not been a use of the mark MR. SPICY. The second, drawing on paragraph 12, is that there has not been a use in respect of the goods or services for which it is registered and the third is there has not been trade mark use.
39. I can go from there to a summary of the evidence. I will not attempt to recite and record the body of evidence which I have been shown. I refer, first, to the time when the claim in this present action was proceeding against Sainsbury's plc. The claim made against Sainsbury's was that they were using the trade mark MR. SPICY to give them the advantage of appearing as a sponsor on the screen when "Mr. Spicy" was typed in as a search query. What Sainsbury's pleaded in response to that was that they had indeed bid for keywords and they listed a large number of them, and those keywords, as listed, all included the word "spicy". It is then stated: "The defendant never instructed its agent to purchase 'Mr. Spicy'" and they give a reason why they would not have wanted to do that. The Sainsbury's defendant then said that it could not comment about the actions of third parties and that defence of Sainsbury's was supported by a statement of truth by the litigation adviser to Sainsbury's Supermarkets Ltd. So that is evidence from Sainsbury's.



40. So far as Pricegrabber is concerned, there is a witness statement from a Mr. Hewlett who gives his qualifications to give this evidence on behalf of Pricegrabber.com. He is in fact employed by Pricegrabber.com Inc in the United States. He says that he has looked at the Pricegrabber keyword purchase records and states that Pricegrabber has not selected “Mr. Spicy” as a keyword from the defendants.
41. Turning then to the principal evidence put forward by the defendants, I begin with a written statement of a Ms. Boehm of 23<sup>rd</sup> October 2007. Again, reading the relevant parts only, she says that the defendants’ records show that no party, including Overture, Yahoo and/or advertisers, had selected “Mr. Spicy” as the keyword. She then refers to a number of keywords incorporating the generic term “spicy” which bid for by Sainsbury’s and Pricegrabber, and she gives examples.
42. It may be relevant to refer, briefly, to some of the exhibits to that witness statement. I am not going to read into this judgment matters which might be confidential, but from a study of the exhibits one can see that when the search query “Mr. Spicy” was typed in to the Yahoo search engine it did indeed trigger the showing of Sainsbury’s as a sponsor and Pricegrabber as a sponsor but that was because the search query “Mr. Spicy” included the word “spicy” which was said to be the parent term, and I interpret that as the keyword for which Sainsbury’s and indeed Pricegrabber have bid. So that material shows, quite clearly, that the fact that at the tail end of 2006 Sainsbury’s and Pricegrabber were coming up as sponsors when “Mr. Spicy” was typed in was not because they had paid for “Mr. Spicy” as the keyword or key phrase but because they had paid for “spicy” as a keyword or parent term.
43. That evidence is also supported by the witness statement of Ms. Svendsen. Her first witness statement is 23<sup>rd</sup> October 2007. She explained what is meant by “a search query”, what is meant by “natural results” and “sponsor results” and that is in accordance with the defence which I have already read. She goes into greater detail as to how “sponsor results” are generated. She explains the process of advertisers bidding for keywords so that when the keyword is used the sponsor’s details are displayed. She developed that by explaining what are called “algorithmic technologies” so that if one does not type in precisely the keyword but types in something else, that something else can be picked up and interpreted so as to trigger the appearance of a sponsor on the screen as a sponsor result. Again, in case any of this is commercially confidential, I will not go into the detail that is given in this evidence.
44. In response to that evidence on behalf of the defendants, Mr. Wilson himself prepared a witness statement on 7<sup>th</sup> December 2007. He introduced a new possible fact in this witness statement. He began his statement by accepting very fairly that he had very basic skills in IT use and/or in computer use. He describes how, in November and December 2006, he made certain searches to see what might happen if he put in his Community Trade Mark MR. SPICY in the defendants’ search engines. He describes how he wanted to know more as to why sponsors were appearing, as we have seen, in the print-out attached to the Particulars of Claim.
45. He then describes what was said to be “Keyword Tool Assistant” and he tells one in paragraph 6 of his witness statement something of what he did and what he believes he saw. He believes that what he was able to do was to say who was bidding on a particular search term. One of the difficulties which confronts Mr. Wilson and

confronts the court is that although Mr. Wilson tried to print the page which would enable him to bring to court the results of his investigation, and perhaps advance his case that Sainsbury's and Pricegrabber had bid for the search term "Mr. Spicy", he describes how he was unable to print the page. There was obviously some form of barrier to him achieving a print of the page and so he is not able to show the court what he says he saw. He has to describe his recollection of what he says he saw. Of course, he saw these things in December 2006 and his witness statement is a year later in December 2007.

46. I ought to read paragraph 7. What he says is this:

"In the period between 14<sup>th</sup> to 24<sup>th</sup> December 2006 I clearly saw in a new pop-up window located at the bottom of the keyword tool assistant window third parties" -- and he gives the URLs for Sainsbury's and Pricegrabber -- "appearing as current bidders for the search term 'Mr. Spicy'". He then says he "performed a search query on the term 'spicy' and discovered there were other advertisers apart from Sainsbury's and Pricegrabber bidding on the search term 'spicy' that did not appear under the sponsor results when the user typed in search term 'Mr. Spicy'".

47. I think from that Mr. Wilson would submit that if bidding for "spicy" on its own was not enough to identify you as a sponsor when the search query was "Mr. Spicy", given that Pricegrabber and Sainsbury's did appear as sponsors for "Mr. Spicy" that must be because they had bid for the phrase "Mr. Spicy".
48. That evidence from Mr. Wilson, subject to the deficiencies which he, himself, acknowledges because he is not able to bring before the court what he believes he saw a year earlier, was the subject of a careful and detailed response by Ms. Svendsen, this time in a witness statement of 9<sup>th</sup> January 2008. She describes the Keyword Assistant Tool which seems to have been the phrase, or a similar phrase, Mr. Wilson was using and she also describes something which Mr. Wilson did not refer to which is the View Bid Tool.
49. In paragraph 9 of her witness statement Ms. Svendsen says that Keyword Assistant Tool would not have provided a user of that tool with the identity of third parties who had purchased a keyword or the price of the minimum bid for each keyword. If Mr. Wilson had searched for the term "Mr. Spicy" using the Keyword Assistant Tool only related search terms pertaining to both "Mr." and "Spicy" would have been returned by the Keyword Assistant Tool. I interpret that evidence to be a clear statement from Ms. Svendsen that Mr. Wilson cannot have seen, by means of the Keyword Assistant Tool, anything which would link Sainsbury's or Pricegrabber, for that matter, as a bidder for the keyword or key phrase "Mr. Spicy".
50. Ms. Svendsen then discusses, indeed introduces very fairly the other thing that Mr. Wilson might have done, which is, he might have used something called View Bid Tool. She describes what that is and what one would get from it and in paragraph 12 she says: "The View Bid Tool displayed not only the result of exact matches between a search query and a keyword, if any existed, but also variant keywords triggered

using the algorithmic technologies on a search query, as she described in her first witness statement. She says, at paragraph 17:

“It is possible that a search for ‘Mr. Spicy’ would have generated a result for the keyword ‘spicy’ including all of the associated information set out above. As the Keyword Assistant Tool does not just list keywords but also unbid search terms it may also have listed ‘Mr. Spicy’.”

51. For the sake of completeness I ought to refer to the second witness statement of Mr. Wilson which was signed by him on 18<sup>th</sup> February 2008. He says that he makes the statement in reply to the first and second of the statements of Ms. Svendsen. However, he does not make any comment, neither a comment of substance nor a comment of a formal character as to what she said in her witness statement. He does not provide any material with which to throw doubt upon the detailed technical explanation given by Ms. Svendsen. He then says he makes the statement in support of the Amended Particulars of Claim, by which he means the draft amendments for which he wishes to have permission. But he does not advance his case by giving any evidence of fact; nor, for that matter, making submissions as to what should be done.
52. That is the state of the evidence before the court on this application.
53. The defendants are represented before me by Mr. Brandreth of counsel and Mr. Wilson appeared in person. Mr. Brandreth prepared a helpful skeleton argument, essentially developing the points in the defence to which I have already referred. I will not lengthen this judgment by reading in extenso from Mr. Brandreth’s helpful submissions but I will attempt, in my own words, to convey the points that he was making in detail. Mr. Brandreth points out that the claim is for infringement of the trade mark under Article 9(1)(a) of the Council Regulation. That Article refers to the alleged infringer using the trade mark for specific purposes as therein described. From this it follows that infringement only occurs if the third party uses the trade mark. It is then submitted that the defendants have not used the trade mark at all. Nor have the sponsors, Sainsbury’ and Pricegrabber, in this case.
54. The reason for that submission is, it is said, the only person who has used “Mr. Spicy” is the person who typed it into the search query box. Indeed, the examples which we have in evidence are examples of Mr. Wilson himself typing “Mr. Spicy” into the search query box. What Mr. Brandreth then does, at this stage, is to address the evidence as to whether anyone has bid for the keyword “Mr. Spicy”. He draws my attention to the evidence to which I have referred which, he says, is really conclusive that no one has bid for the keyword “Mr. Spicy”. He invites me to say that this matter is clearly established for the purposes of a summary application or for the purpose of striking out the claim. I should accept the detailed evidence of Ms. Svendsen in preference to the evidence of Mr. Wilson as to what he believes that he saw in December 2006.
55. With respect to Mr. Wilson, it is suggested that he cannot be right about that in view of the technical matters that have been explained by Ms. Svendsen. The argument continues by explaining that if one types “Mr. Spicy” into the search query box and if that produces sponsored results, in this case Sainsbury’s and Pricegrabber, that is not because the phrase is “Mr. Spicy”. It is because of the presence in that phrase of the

ordinary English word “spicy” which was bid for or was associated with words bid for by the sponsors. So it was not “Mr. Spicy” that produced the sponsored result. It was the word “spicy” in the phrase which produced the sponsored result.

56. Mr. Brandreth goes from there to deal with the point that, under 9(1)(a), which is the only part of the Article pleaded in the existing Particulars of Claim, there must be use in the course of trade in relation to the goods or services for which the mark is registered. I have already referred to Mr. Wilson’s pleading as to the goods or services for which the mark is registered.
57. Under this heading Mr. Brandreth returns to the question of the way in which the search query is used. He has pointed out that the search query is not used actively by the defendants but passively; that is, they respond to what is put in by the person making the search. Indeed, the response is not to the words “Mr. Spicy”. It is to the ordinary English word “spicy” within the phrase “Mr. Spicy”.
58. At this point Mr. Brandreth develops the further argument, which was foreshadowed in the defence, that if one ever gets to the stage of saying there has been a user by the defendants of “spicy” or “Mr. Spicy” it is not use as a trade mark. Mr. Brandreth referred to the decision of the European Court of Justice in *Arsenal Football Club plc v. Reed* [2003] ETMR, 19. The facts of that case are well known and it is not necessary to recite them in this judgment. That decision did not concern the Council Regulation with which I am concerned. It concerned Council Directive 89/104. But that Directive contained a recital, Recital No. 10, in the same terms as the recital I have earlier mentioned and Article 5(1) of the Directive is in essentially the same terms as Article 9(1) of the Council Regulation.
59. The decision is of help in the present context because, in paragraph 48 of the judgment of the court, the function of a trade mark is explained. It is to guarantee the identity of origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin. It is said that the purpose of the mark is to offer a guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking responsible for their quality.
60. In order to enforce, in a practical way, this guarantee of origin which is the essential function of a trade mark, the proprietor of the trade mark must be protected against competitors wishing to take unfair advantage of the status and reputation of the trade mark by selling goods illegally bearing it. However, the exercise must be reserved to cases in which a third party’s use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods. In those passages I have been summarising, paragraphs 48 to 51 of the judgment.
61. In paragraph 54 the matter is then put in the negative sense of what the proprietor is not entitled to do, and I will read a sentence from paragraph 54:

“The proprietor may not prohibit the use of a sign identical to the trade mark for goods identical to those for which the mark is registered if that use cannot affect his own interests as proprietor of the mark having regard to its functions”.

62. In the course of Mr. Wilson's submissions, he drew my attention to certain matters of fact or alleged fact. He also explained the points he wanted to raise if he were to be given permission to amend his Particulars of Claim. He did not address the legal contentions put forward on behalf of the defendants. He indicated that he would leave those to the court. It is the function of the court, therefore, to assess the submissions made on behalf of the defendants to see whether the court is satisfied this is a proper case for summary judgment or to strike out the claim.
63. Having performed that function, I find this is a proper case to give summary judgment for the defendants. I essentially accept Mr. Brandreth's submissions, both as set out in the defence and as developed in oral argument in the course of this hearing.
64. I can put my conclusions really quite concisely, and in my own words, as follows: The trade mark in this case is not used by anyone other than the browser who enters the phrase "Mr. Spicy" as a search query in the defendants' search engine. In particular, the trade mark is not used by the defendants. The response of the defendants to the use of the trade mark by the browser is not use of the trade mark by the defendants. That is enough to decide the case in the defendants' favour. But the matter does not stop there. If, by some process of reasoning, one were to hold that the search engine's response to the words used by the browser was, itself, use by the defendants, in my judgment, it is not use of the mark "Mr. Spicy". What, instead, is being used is the English word "spicy" as it appears in that phrase.
65. Further, even if, contrary to what I have now held are two fatal answers to Mr. Wilson's claim, I were to hold that the defendants were using his trade mark in doing what they did, then they are not using it as a trade mark as explained in the *Arsenal Football Club* case. In my judgment, this case, very comfortably and clearly, comes within paragraph 54 of the decision in that case; that is, Mr. Wilson is not able to prohibit the use of the words "Mr. Spicy" even when they are being applied to goods identical to those for which the mark is registered if that use cannot affect his own interest as proprietor of the mark having regard to its functions. That is satisfied here.
66. I remind myself of what actually appears on the search results, or what did at the relevant time appear, if one typed in the words "Mr. Spicy". There is a reference to Sainsbury's. It does not say that all the food sold at Sainsbury's has Mr. Wilson's trade or business as an origin. It is not pretending that Sainsbury's food all comes from Mr. Wilson's trade or business, MR. SPICY. It does not even say that Sainsbury's, amongst the many brands they stock, stock Mr. Wilson's foods under the brand name "Mr. Spicy" or under the trade mark MR. SPICY. I do not begin to see how what is described in the search response with reference to Sainsbury's has any impact of an adverse character on Mr. Wilson's rights as proprietor of the Community Trade Mark. The same comments apply to the reference to Pricegrabber.
67. By that process of reasoning and really for those various reasons in combination, any one of which on its own would be enough, I hold that the claim as pleaded at the present time does not disclose a cause of action and there should be summary judgment for the defendants against the claimant.
68. In case it is material, I ought to make a specific finding about whether or not Sainsbury's and Pricegrabber ever did bid for the keyword "Mr. Spicy". It seems

clear to me that the evidence is all one way on that, that it is not a case that needs to go to trial for that matter of fact to be further explored and the fact I can confidently find on the material available and all the material that is likely ever to be available is that Sainsbury's and Pricegrabber did not bid for the keyword "Mr. Spicy".

69. I now need to deal with the matters intended to be raised in the Draft Amended Particulars of Claim. These come before the court in this way. Today Mr. Wilson has filled in an application notice seeking permission to amend the Particulars of Claim and also to add a new party, Yahoo Inc. I have been given Draft Amended Particulars of Claim which do not name Yahoo Inc as a defendant and do not identify any cause of action or proper basis for a claim against Yahoo Inc. I think for that reason alone I would not be prepared to join Yahoo Inc as a defendant to these proceedings, even if the proceedings were to continue. But as I will explain in a moment, even if what is alleged against Yahoo UK Ltd were to be alleged against Yahoo Inc then it is not going to amount to a properly pleaded cause of action for which permission could be granted.
70. I need to address the Amended Particulars of Claim in two different respects. The first is that the matter was previously pleaded about what one finds when one searches using the phrase "Mr. Spicy". Being earlier pleaded as a breach of 9(1)(a) of the Council Regulation, it is now being pleaded that they are also breaches of 9(1)(b) and 9(1)(c). I need not take much time afresh on this matter as much of what I have already held applies here too.
71. Article 9(1)(a) requires it to be shown that the defendant has been using the trade mark in the course of trade in relation to goods or services which are identical with those for which the trade mark is registered. Article 9(1)(b) is expressed in somewhat similar terms. There must be user by the defendant. The difference between 9(1)(a) and 9(1)(b) so far as material for present purposes is that one can use a similar sign and in relation to similar goods or services where there is a sufficient likelihood of confusion.
72. I think, because I have already held that the defendants are not using the trade mark MR. SPICY there cannot be an infringement under 9(1)(a) or 9(1)(b). Article 9(1)(c) also requires the complainant to show that the defendant is using the trade mark, either one which is identical with or similar to the trade mark. As I have held that the defendants are not using the trade mark MR. SPICY or anything similar to it, in those circumstances there cannot be an infringement of 9(1)(c). It is also right to say that 9(1)(c) is a somewhat special case which applies where the claimant's trade mark has a reputation in the Community and where use of the sign takes unfair advantage of, or is detrimental to, the distinctive character or repute of Mr. Wilson's mark. Mr. Wilson really does not begin to plead what are the essential requirements of a case for infringement under Article 9(1)(c). It may be, as Mr. Wilson is in person, one would be more indulgent than with a professional pleader and one might give an opportunity to remedy shortcomings in presentation of the pleading. However, on the material before me it seems a very unlikely and improbable thing that Mr. Wilson would ever be able to put forward a credible claim to his mark having a reputation in the Community. I bear in mind how he described himself in the Particulars of Claim at the time when the claim was pleaded against Sainsbury's. It does not appear to be anything remotely approaching a case where it could be pleaded credibly that he had a reputation in the Community in relation to the trade mark MR. SPICY.

73. In so far as the facts I have already discussed are now being pleaded as breaches of 9(1)(b) and 9(1)(c) in addition to 9(1)(a), I hold that there is no cause of action in relation to such a plea and, accordingly, the proper course would be to decline to give permission to amend in that respect.
74. The second part of the Draft Amendments is to widen the allegations of fact as to what amounts to an infringement, whether of 9(1)(a) or (b) or (c). I will read the new Particulars of Infringement. Particular (c) is in these terms:
- “From about January 2006 or earlier until December 2006 the defendants have been offering the sign ‘Mr. Spicy’ and or signs similar to the same for sale as a keyword within the territory covered by the said Regulation.”
75. The first comment I make about that is that on the factual material at present available it looks extremely doubtful whether the defendants were offering the sign “Mr. Spicy” to anyone at any time. I say it is doubtful because, this being in a draft amended pleading, the defendants have not marshalled the evidence to drive home the point that they may or may not be able to make in that respect. However, from the evidence that has been prepared for other reasons, it seems that the way in which bidding for keywords works is that the bidder identifies the keyword that he wants to use and then, when he identifies it, Yahoo go into motion and indicate how much that word has been used in the past and if that keyword were to be used what other connections and links would be thrown up by its use.
76. But it is not a case of Yahoo have “Mr. Spicy” available like some sort of domain name or special number plate that they can make available. Yahoo, as I understand it, can make available any word, probably in any language, and so they do not need to draw up a list because drawing up a list would effectively be offering the bidder any number of dictionaries of words which are in use. The factual basis of this allegation appears to be improbable but I cannot make a specific finding because the evidence does not enable me to do so.
77. The real problem, as I see it, with this allegation is that Mr. Wilson’s trade mark is not a mark which entitles him to stop people using the words “Mr. Spicy” but it is a trade mark in relation to certain goods or services. I have read the Classes of goods or services in question. Further, Article 9(1)(a) and 9(1)(b) talks about goods or services which are identical or, in certain circumstances, similar and there can be no objection to Yahoo, if this is what they want to do, to solicit from third parties the use by those third parties, in return for payment, of a keyword “Mr. Spicy” if they are going to attach “Mr. Spicy” to goods and services different from those protected in Mr. Wilson’s case.
78. Furthermore, the pleading is that this happened until December 2006 and there is no reason to think that the court would be required to grant an injunction to restrain a threatened infringement in the future. On the basis of the findings I have already made, that even if “Mr. Spicy” was available to be bid for, nobody bid for it. It does not appear that there is any real prospect of any damages being awarded for any infringement if there were to be one. So, for those various reasons, I would not permit Particular (c) to be added by amendment to the Particulars of Claim.

79. I can take Particulars (d) and (e) together. They read as follows:

“(d) From about January 2006 or earlier until the present the defendants continued to place an advertisement with sponsored links adjacent to the search results flowing from the term ‘Mr. Spicy’ within the territory covered by the said Regulation.

(e) From about January 2006 or earlier until the present the defendants continued to place advertisements and/or offer services under the sign ‘Mr. Spicy’ and/or signs similar to the same within the territory covered by the said Regulation.”

80. What in fact Mr. Wilson complains about is that if one chooses the words “Mr. Spicy” as a search query and enters them in the Yahoo search engine, one will get certain results. And on the page which appears on the screen on that occasion Yahoo will speak to the viewer and will say to the viewer, “You can advertise yourself here” so that if another person uses the words “Mr. Spicy” that person will see your advertisement for your goods and services.
81. Secondly, what the viewer sees is that Yahoo will offer other services and will advertise other features of its services when the page appears on the screen. In other words, what Yahoo is doing when the browser puts in “Mr. Spicy” is exactly the same as what Yahoo is doing when the browser puts in the word “spicy” or indeed any other word or term or phrase which the browser chooses to use.
82. It seems to me that this is a million miles away from Yahoo using Mr. Wilson’s mark in relation to goods or services which are identical to those protected by the mark or which are similar to those protected by the mark. What Yahoo are saying is they are offering services of their own which are of a radically different character and they are saying to the public generally, who see this screen on conducting a search, that the public generally can place any advertisement for anything the public likes on the Yahoo page and that advertisement will come up and it will come up in particular when the words “Mr. Spicy” are put in. But that does not appear to me to be even arguably an infringement of anything in Article 9.
83. So having considered the two areas of refinement in the Amended Particulars of Claim extending the plea from 9(1)(a) to 9(1)(b) and (c) and extending the original Particulars by adding Particulars (c) and (d) and (e), I conclude these do not identify any arguable cause of action against the defendants. The result of the foregoing I conclude is as follows. I withhold permission to amend in accordance with the Draft Amended Particulars of Claim. I do not give permission to join Yahoo Inc in this action and, in relation to the unamended claim, I conclude that it is a proper case for summary judgment to be given for the defendants, which means that I will dismiss the claim in its entirety against the defendants.

MR. JUSTICE MORGAN: Mr. Brandreth, are there other matters that I now need to deal with?

MR. BRANDRETH: My Lord, there are consequential matters. Perhaps the first point to be made is that this was an application not only for summary judgment but also for striking out.



MR. JUSTICE MORGAN: Yes.

MR. BRANDRETH: The relevance of that is something that has already been canvassed in front of your Lordship, the reference to a claim utterly without merit.

MR. JUSTICE MORGAN: Yes.

MR. BRANDRETH: And if not consequences on this particular occasion, potential consequences on subsequent occasions.

MR. JUSTICE MORGAN: Yes.

MR. BRANDRETH: My Lord, it was not clear to me from your judgment if you had addressed the issue of strike out separately from summary judgment. I took it not.

MR. JUSTICE MORGAN: I did it deliberately, not having this point in mind, on the basis of summary judgment because I was then able to take into account not only the pleading but also the evidence. I think it is a case, however, where the only issue of fact was whether Sainsbury's and Pricegrabber had bid for and obtained access to the name "Mr. Spicy". I made that finding of fact for the avoidance of doubt in your favour. But even if I had not made that finding, I think one of my legal conclusions was that the defendants were not using the words which the browser put in, they were responding to those words and that would mean that it would be proper to strike out the claim, even assuming every matter of fact in it were true. So that would give the court access to the point in rule 3.4.

MR. BRANDRETH: Indeed.

MR. JUSTICE MORGAN: And if I do strike it out and if I do consider it is totally without merit, I not only may but must record that fact. The "totally without merit" is discussed, is it not, at page 109?

MR. BRANDRETH: Indeed, my Lord, although I do not think it gives you guidance there.

MR. JUSTICE MORGAN: It does not. I think it is one of those things you recognise when you see it. Subject to hearing Mr. Wilson, I am provisionally of the view that this is totally without merit.

Mr. Wilson, what is being said by Yahoo next is that if I strike out the claim against them I have to apply my mind to whether the case is totally without merit. It seems to me possible to strike out a claim under 3.4 but yet draw back from saying it is totally without merit. I suppose, for example, there might be a failure to comply with the rule so the case is struck out but the case was not totally without merit. In a case where there is no reasonable ground for bringing or defending a claim then it is going to be rather easier in more cases to conclude it is totally without merit. Do you want to say anything to me, Mr. Wilson, about this point as to whether your claim is totally without merit?

MR. WILSON: Yes, my Lord.

MR. JUSTICE MORGAN: Right.

MR. WILSON: On the point totally without merit, whereas I have cited a matter that took place in France in relation to Global and Meridien, that site there, that was brought on use of the words Meridien or Le Meridien and Google were banned from showing any sponsored links or advertisements any time those words were entered, whether or not the word “hotel” was entered as well.

MR. JUSTICE MORGAN: I do not know that case, I am afraid. I cannot say whether it supports you or is distinguishable. You feel you were encouraged to bring your proceedings because you felt that something similar had happened in another Member State.

MR. WILSON: That is correct, my Lord, yes. On that basis is where I have brought my claim, on the basis of what I have seen in another Community Member State.

MR. JUSTICE MORGAN: Let me ask Mr. Brandreth about this. Mr. Brandreth, can you help on that? I have made my decision. I am not going back on it.

MR. BRANDRETH: Indeed, my Lord. There is a case that was referred to by Mr. Wilson in correspondence.

MR. JUSTICE MORGAN: Yes. I saw that.

MR. BRANDRETH: I do not know, I confess, the details of that case, my Lord.

MR. JUSTICE MORGAN: I saw his reference to it, something and “Viaticum” I think it was. Is that the same one or is that a different one?

MR. WILSON: I am sorry, my Lord?

MR. JUSTICE MORGAN: There was a case which had a rather curious name. It referred, as a defendant, to “Viaticum”.

MR. BRANDRETH: Indeed, my Lord. I think, in fact, strictly speaking, there may be two cases that Mr. Wilson is referring to.

MR. JUSTICE MORGAN: Right.

MR. BRANDRETH: Neither of them are the same on the facts and ----

MR. JUSTICE MORGAN: I think, unless I ought to be shown that case, it seems to me I have got to react to the arguments put to me, the reasons I have already given, and I think on the basis of that I would say it was totally without merit. That does not have an immediate impact, I think, Mr. Wilson. It is only that these days when cases are struck out, to an extent your card is being marked and the more points entered upon it the more difficult it can be for you later. That is what this is about.

MR. WILSON: Yes, my Lord.

MR. JUSTICE MORGAN: So next time you issue proceedings against anyone and there is a previous history of totally without merit applications, if next time, again, it is totally without merit then the fact it is the second time is worse than when it is the first time.

MR. WILSON: I accept that, my Lord. Yes, my Lord. But, like I said, I based this claim on a judgment that I had read from another Member State. It was not a UK judgment. It was another Member State judgment.

MR. JUSTICE MORGAN: What I think I will do is I will record that in my assessment it was totally without merit. I am not meaning to be unpleasant to Mr. Wilson who may have, in all good faith, understood that he had a proper claim but on the analysis given to the case today the conclusion follows that it is totally without merit. So that I feel it is my obligation to state and I must record that fact.

MR. BRANDRETH: Indeed, my Lord.

MR. JUSTICE MORGAN: Do you want to press for a Civil Restraint Order?

MR. BRANDRETH: No, my Lord. It is clear, I think, from the Practice Direction that you get one strike out before the next part moves on.

MR. JUSTICE MORGAN: Right.

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