Neutral Citation No: [2025] NICh 2 *Judgment: approved by the court for handing down (subject to editorial corrections)**	*Ref:* **HUD12772** *ICOS No:* *Delivered:* **04/06/2025**

IN THE HIGH COURT OF JUSTICE IN NORTHERN IRELAND

_____

CHANCERY DIVISION

_____

Between:

DANNY BOY LABEL LLP
and
TITANIC DISTILLERS LTD

Plaintiffs/Respondents

and

TITANIC BREWERY CO LTD

Defendant/Appellant

_____

Mr St Ville KC with Mr Egan KC (instructed by Mills Selig Solicitors) for the Appellant
Mr Dunlop KC with Mr Hopkins KC (instructed by A&L Goodbody Solicitors) for the Respondent

_____

HUDDLESTON J

Introduction

[1] This is an appeal against Master Hardstaff's decision of 24 April 2024 and his order of 29 April 2024, in which:

(a) He refused to set aside service/stay the proceedings in writ action 2022/102829("the November 2022 writ");

(b) He ordered costs against the defendant/appellant.

[2] The two issues, then as now, are:

(a) The court's jurisdiction under Schedule 4 para 3(c) of the Civil Jurisdiction and Judgment Act 1982 ("the 1982 Act"); and/or

(b) If the proceedings should be set aside/stayed on the grounds of forum non conveniens.

[3] By way of background (and in summary) there are:

(i) Two trademark cancellation actions;

(ii) The November 2022 writ in respect of the respondent's allegations of passing off/trademark infringement on the part of the appellant; and

(iii) Claims by the appellant against the respondents which have issued in the IPEC, although the court was informed that there are issues in respect of the propriety of service.

A full list of the proceedings is set out in the Appendix.

[4] Clearly, the substantive issues in these actions/cross actions are not before this court, but I do rehearse them as they have an impact upon the overall decision.

The 1982 Act

[5] Section 16 of the 1982 Act directs that the provisions set out in Schedule 4:

> "shall have effect for determining, for each part of the United Kingdom, whether the courts of law of that part, or any particular court of law in that part, have or has jurisdiction in proceedings where—
> …
>
> (b) the defendant…is domiciled in the United Kingdom."

[6] Schedule 4, in turn, makes the following provisions:

> "1. Subject to the Rules of this Schedule, persons domiciled in a part of the United Kingdom shall be sued in the courts of that part.
>
> 2. Persons domiciled in a part of the United Kingdom may be sued in the courts of another part of the United Kingdom only by virtue of rules 3-13 of this Schedule.
>
> 3. A person domiciled in a part of the United Kingdom may, in another part of the United Kingdom, be sued –

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

[7] The basic principle is, therefore, that the domicile of the defendant determines jurisdiction subject to a number of derogations. It is common case between the parties that those derogations are to be narrowly construed – see *AMT Futures Ltd v Marzillier* [2017] UKSC 13 [2018] AC 439; and *Carl Frampton v McGuigan* [2018] NIQB 52 at 28.

[8] Titanic Brewery Ltd is domiciled in England. It is an English registered company and the evidence suggests that its central management and control is based in that jurisdiction. Given the general rule that the appropriate jurisdiction would be determined by such a defendant's domicile the question is if the case can be brought within one of the derogations.

[9] The derogation, which is specifically in point here, is Schedule 4 Paragraph 3(c). That is commented on by Dicey Morris and Collins on the Conflict of Laws (16th Edition) at 11-326 as follows:

> "The phrase 'the place where the harmful event occurred' gives the claimant the option of bringing proceedings in the court of the place where the event occurred giving rise to the damage or those of the place where the damage occurred."

[10] Perhaps the best known case which demonstrates the application of this is the ECG case of *Handelswerkerij GJ Bier BV v Mines de Potasse d'Alsace SA* (Case 21/76) interpreting the equivalent provision in Article 5(3) of the Convention. Without going into the details of the case in any great substance the tortious event (the adding of substances to the River Rhine) occurred in one member state, whereas the damage sustained in that case occurred in another (downstream) member state. On those facts the option was in play at the suit of the plaintiff.

[11] Both parties took me the *University of St Andrews v Student Gowns* [2019] CSOH 86 [2020] ETMR at 17. In analysing the *Handelswerkerij GJ Bier* case, Lord Doherty in that case makes the following helpful comments.

[12] At para [21] he highlights that the question for the court in cases such as this is whether the pursuer (or plaintiff) is entitled to found its case upon the jurisdictional ground which it has chosen – that is the task for this court.

[13] At para [22], he deals with the passing off claim where he concludes:

> "The place of the damage is the place where the goodwill concern subsists and where it is protected by the law. The goodwill which the pursuer claims is being injured by passing off subsists in Scotland and it is protected by the Scots Common Law relating to passing off."

[14] At para [23], in relation to the allegations of infringements of trademark, he took the view that "the place of the damage is the place where the trademark is registered. Since the trademark is registered in the United Kingdom each of the United Kingdom's jurisdictions is a place of the damage. Accordingly, the pursuer is entitled to find jurisdiction upon Scotland as it is a place of the damage."

[15] He then helpfully (at para [24]) considers the implications of this within an intra-UK context. By reference to the adopted approach in the case of *Wintersteiger v Products 4You* (C-523/10) [2012] ETML 31 [2013] Bus LR 150 concluding:

> "On that scenario, it might be argued that the application of *Wintersteiger* would not ensure a sufficiently close connection between the forum and the delictual dispute. However, in my opinion, it is very clear that in the present case Scotland has a very close and strong connection with the dispute."

He continues:

> "It is of particular note that the rationale for the 'special jurisdiction' laid down by way of derogation from the principle of jurisdiction of the court to the place of the domicile of the defendant in Article 5(3) of the Regulation, is based on the existence of a *particularly close connecting factor between the dispute and the court to the place where the harmful event occurred*, which justifies the attribution of jurisdiction to those courts for reasons relating to the sound administration of justice and the efficacious conduct of the proceedings." [Emphasis added]

[16] That rationale applies equally to this case in my respectful opinion.

[17] I also have to have regard to the legal principles which have been set out by the UK Supreme Court in the case of *AMT Futures Ltd v Marzillier* [2018] AC 439, which largely amplifies those comments and echoes the principles that:

(i) The Judgments Regulation (and, therefore, by analogy the 1982 Act) contains rules which are designed to promote legal certainty;

(ii) The aim of the [legislation] is to prevent parallel proceedings;

(iii) The general principle is that civil actions are brought against individuals and companies in the courts of the place where they are domiciled;

(iv) The derogations from that general rule ought to be restrictively interpreted in order to achieve the aims of the legislation;

(v) The derogating grounds of jurisdiction are justified because they reflect a close connection between the dispute and the courts of a [particular jurisdiction] other than that in which the defendant is domiciled and it is those close connections which promote the efficient administration of justice and the proper organisation of litigation.

(vi) Whilst interpretation of the phrase "the place where the harmful event occurred" gives a prima facie option of commencing proceedings in the courts of the place:

(a) where the event occurred giving rise to damage; or

(b) the courts of the place where the damage occurred,

In which case the focus is on the question of where direct and immediate damage arose.

[18] The immediate task for the court is to identify where the relevant harm occurred, but when the court is not concerned with the event itself or it is self-evident then it is the occurrence of the direct and immediate harm that should be the connecting factor in terms of the assessment of the correct forum.

[19] Applying all of that to the present case, the appellant argues that the courts of this jurisdiction do not have jurisdiction because on the plaintiffs' pleaded case, Northern Ireland is not the place where the harmful event(s) occurred [or may occur] on the basis that the evidence shows that all pleaded allegations of wrong pleaded against Titanic Brewery relate to acts which were carried out in England, namely:

(a) the offer for sale for gin products in the United Kingdom; and

(b) the offer for sale of products in the United Kingdom via retailers which, in turn, are identified on the evidence as four retailers to whom Titanic Brewery supplies only in England.

[20] The appellant takes the view that insofar as there is damage to Danny Boy's or Titanic Distillers goodwill that is harm to the goodwill amongst customers in England that is most directly and immediately affected. The point is made that there are no pleaded sales by the defendant itself, either directly or indirectly, to Northern Ireland and that, indeed, that specifically the online offering is limited to

"delivery prices…available from mainland England, Wales and Scotland." In rebuttal to the respondents' case that they have been able to acquire gin for delivery in Northern Ireland, the appellant makes the case that the supply relied upon is indirect and on the pleaded and evidential case, has only been possible because orders were placed with four independent retailers to whom the defendant supplies. It is the onward supply upon which the plaintiffs/respondents rely.

[21] On the appellant's case, it is argued that goodwill is a species of property which resides in customers and is both divisible and local in nature (*Wadlow on the Law of Passing Off*) (6th Edition) at 3-229 to 3-236). They argue that it follows that any damage to goodwill alleged to take place as a result of passing off or trademark infringement will, therefore, also be local in nature. All of that, they say, points to England & Wales as the proper forum.

[22] The respondents argue that the proceedings for both trademark infringement and passing off give "primary jurisdiction" to the courts of Northern Ireland on the basis that the plaintiff has an option. In particular, and relying on *Handelswerkerij GJ Bier*, they argue that the alleged damage occurs in Northern Ireland. In support of that contention, they rely on the case of *McAteer v The Association of Chartered Certified Accountants* [2012] NIQB 33, in which Weatherup J concluded that the place where the damage occurred was where the recoverable economic loss (in that case accountancy losses) were suffered by a Northern Irish based accountancy business.

[23] The core of the case made is that the plaintiffs/respondents allege passing off and trademark infringement by the defendant/appellant by the offering for sale in the United Kingdom, including Northern Ireland, through sales of its gin based products which bear the mark "Titanic" and which has led to both the injunctive and substantive relief sought and suggest that this court is unable to conclude at this juncture of the proceedings that no damage will occur to the plaintiffs' goodwill in Northern Ireland simply because:

(a) the defendant's website does not expressly refer to delivery prices to NI; and

(b) the four retailers who have offered and provided the defendant's product for sale in NI are based in England.

Consideration

[24] As in the *St Andrews'* case, the factual matrix here requires a degree of analysis. The court is faced with a passing off claim where, in essence, it is argued that there is potential damage to the goodwill of the plaintiffs/respondents in Northern Ireland and a linked trademark infringement action which, if established, will infringe a UK registered trademark. There is clearly contention between the parties as to where the damage or alleged harm arises, ie in England & Wales or in Northern Ireland.

[25] I am thankful to both sets of counsel for their detailed written and oral submissions. I am, however, persuaded to overturn the ruling of the Master and stay the proceedings in Northern Ireland for the following reasons:

(i) From the evidence before me, all pleaded allegations of breach, both in respect of passing off and trademark infringement, as a matter of fact occurred in England & Wales; and

(ii) I am not convinced by the counter submissions of the respondents as to the "availability of products in Northern Ireland" via third party distributors. Firstly, that is not direct and, secondly, they are not, in any event, actions promoted by the defendant/appellant in this case - based on the affidavit evidence to which I was taken.

[26] Any question of harmful effect is to goodwill, and that, I find, (as per Kerly's Law of Trademarks 17th Edition 16-066 to 16-131) is most directly and immediately to the goodwill as it pertains to customers who are normally resident in England & Wales. On that point, the parties seem to accept that goodwill is (a) divisible; and (b) essentially local in nature. On point see also *Starbucks (HK) Ltd v BSB Group plc* [2015] 1 W.L.R. 2628 and related discussion.

[27] I accept that the economic effect on goodwill may be accounted for locally in Northern Ireland on ordinary accounting principles, but I distinguish this case from *McAteer* in that the latter dealt with the recoverable economic loss that was singular in nature (ie the loss of local accounting fees) and was solely measurable in Northern Irish terms. What is different here, I feel, is that the impact (yet to be measured) is to goodwill which primarily relates to customers who are resident in England & Wales (and would be measured there) although it may be quantified in Northern Ireland in terms of the impact on the plaintiff's balance sheet. That, however, is one step removed. That makes England & Wales, in my view, the place where the "direct and immediate damage" occurred on the facts.

[28] The statutory scheme in the 1982 Act has been implemented by Parliament for a reason. Policy justification for that has been amplified in a number of the cases to which I have made reference above. Fundamentally, the rule is that defendants are to be sued in their jurisdiction of domicile, save in circumstances where there is a derogation based on good reason. The derogations properly (and sensibly) focus on the direct and immediate nature of the causation event(s) upon which the proceedings are based. I do not find that there are circumstances which justify a derogation from the general rule in this case and conclude that the default position under the 1982 Act should therefore apply.

Forum Non Conveniens

[29] The parties took me to the well-rehearsed decision of Lord Gough in *Spiliada Maritime Corporation v Cansulex* [1987] AC 460, where he sets out the applicable

principles of the power of a court to stay proceedings on the grounds of forum non conveniens:

(a) The basic principle is that a stay will only be granted on the grounds of forum non conveniens where the court is satisfied that there is some other available forum having jurisdiction – that was not in contention between the parties. In this case there is clearly another available jurisdiction.

(b) Procedurally, the burden of proof rests upon the defendant to persuade the court to exercise its discretion to grant a stay. However, where the court is satisfied that there is another available forum then the burden will shift to the other party to show that there are special circumstances by which justice requires the trial should nevertheless take place in a particular jurisdiction and to then provide an evidential basis for that.

(c) The burden resting on the defendant is not just to show that the local jurisdiction is not a natural and appropriate forum for the trial, but to establish that there is another available forum which is **clearly or distinctly more appropriate than the local forum**. In that assessment the court looks for the "natural forum" being "that with which the action had the most real and substantial connection" and that in that assessment a court will look at numerous factors including convenience, expense, availability of witnesses, the places where the parties respectively reside or carry on business and other factors drawn to their attention.

(d) If the court concludes at that stage that there is no other available forum which is clearly more appropriate for the trial of the action, it will ordinarily refuse a stay. If, however, the court concludes that there is some other available forum which prima facie is clearly more appropriate for the trial, it will ordinarily grant a stay unless they are circumstances by reason of which justice requires that a stay should nevertheless not be granted.

[30] It was the appellant's case that England & Wales is clearly and distinctly the more appropriate forum for the resolution of the dispute:

(a) Because (as above) the action only concerned alleged events which took place in England and would be subject of evidence (in the main) of witnesses from that jurisdiction;

(b) This action is part of a larger dispute in respect of which proceedings are already in train both in respect of passing off and trademark infringement; and

(c) The plaintiffs' longer term objectives as demonstrated by sales volume are to focus on the English Market.

[31] Taking those factors into account, I agree with the appellant's submission that England & Wales, and the IPEC in particular, is "clearly and distinctly the more appropriate forum" for the proceedings, because I accept that there are greater connecting factors with England & Wales in respect of the factual issues which arise. Whilst undoubtedly the courts in Northern Ireland could determine the issues between the parties, that will obviously not be the end of the dispute between the parties given the other proceedings and it, therefore, is more appropriate, in my view, that they be pursued there.

[32] On that basis, I consider that IPEC is the most appropriate forum to determine those claims allied to which I am mindful of the costs and speed within which that expert tribunal can proceed.

Conclusion

[33] For all of those reasons, therefore, I allow the appellant's appeal against the Master's determination and I stay the writ action accordingly.

[34] If required, I am happy to hear the parties on the question of costs in relation to this appeal.

Appendix

(a) Cancellation Application CA 503 914 of 10 Jun 2021

(b) Cancellation Application CA 505 052 of 26 Mar 2022

(c) Writ issued in this action on 29 Nov 2022

(d) IPEC action IP-2024-000004