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(Cite as: [1997] F.S.R. 797)

***797 Pitman Training Limited and Another v.
Nominet U.K. and Another**

In the High Court of Justice--Chancery Division

Ch D

Before: The Vice-Chancellor, Sir Richard Scott

22 May 1997

Passing off--Tortious interference with contract--Extent of rights in Internet domain names--Irregularity in allocation on "first come, first served" basis--Threat of proceedings against allocating body--Whether an abuse of process--Whether causes of action reasonably arguable.

The plaintiffs carried on a training business under the name "Pitman Training" and the second defendant carried on a separate publishing business, under the name "Pitman Publishing". The use of the name "Pitman" in their respective businesses was regulated by an agreement between the first plaintiff and the second defendant. Nominet U.K., the first defendant, and its predecessor were responsible for the allocation of Internet domain names ending in the suffix ".co.uk", operating on a first come, first served basis. The second defendant's application to become the registered owner of the domain name "pitman.co.uk" was granted by an automated electronic mail process on February 21, 1996 and the appropriate Internet domain name servers were updated to reflect this fact. The second defendant intended to use this domain as its world wide web site from December 10, 1996 onwards, but did not make any use of the domain in the intervening time except for advertising the address of its web site in association with the promotion and launch of one of its books. The second plaintiffs were erroneously informed in March 1996 that the "pitman.co.uk" domain name was still unallocated, and in late March 1996 the second plaintiff's Internet Service Provider ("ISP") procured the reallocation of the

domain name to the second plaintiffs. The second plaintiffs thereafter actively used the domain name and the e-mail address "enquiries@capitman.co.uk" in their promotional and advertising materials. In December 1996, the second defendant became aware of the reallocation. After a lengthy tripartite exchange of correspondence between separate firms of solicitors appointed for the plaintiffs, Nominet U.K., and the second defendant, the solicitors acting for the second defendant wrote to the solicitors acting for Nominet U.K. on March 27, 1997 requesting the immediate restoration of the contested domain name to the second defendant and indicating that failure to do so would result in the issue of proceedings. Nominet U.K. acceded to this request and transferred the domain name *798 back to the second defendant, at which point the plaintiffs commenced proceedings against both defendants for the re-instatement of the domain name to the plaintiffs. At an *ex parte* application for relief the judge ordered that Nominet U.K. restore the e-mail address "enquiries @capitman.co.uk" to the plaintiffs' use and prevent the use of the domain by anyone other than the plaintiffs. Thereafter Nominet gave undertakings in similar terms until trial or further order. At the full *inter partes* hearing the plaintiffs sought the continuation of the restrictions as against the second defendant, pending trial. The plaintiffs submitted: (i) that the second defendant's use of the domain name would constitute passing off; (ii) that the defendants had interfered with an implied term in the contract between the second plaintiff and its ISP to the effect that the domain name would not be withdrawn without the second plaintiff's consent; and (iii) that the proceedings threatened by the second defendant in its solicitors' letter of March 27, 1997 were bound to fail, that the letter should therefore be treated as having been written for an ulterior purpose and as such constituted a tortious abuse of process. The second defendant submitted that none of the plaintiffs' claimed causes of action were reasonably arguable.

Held, dismissing the plaintiffs' application:

(1) It was highly improbable that the public

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associated the domain name "pitman.co.uk" with the plaintiffs. Any confusion had been generated by the fact that both parties had used the domain name in their respective advertisements. The plaintiffs' passing off claim was not viable.

(2) The second plaintiff's ISP had no control over the allocation of domain names. Accordingly, there was no basis upon which to imply the term put forward by the second plaintiff into its contract with its ISP--it did not satisfy either the "officious bystander" or the "business efficacy" requirement.

(3) (*Obiter*) Even if such a term could be implied, the second defendant was entitled to pursue its normal and legitimate business interests by trying to persuade the first defendant to restore to it its chosen domain name of which it had been deprived by error. In so far as this interfered with the contract between the second plaintiff and its ISP, the second defendant had a lawful and reasonable justification for its actions and therefore the plaintiffs' claim for interference with contract was unarguable.

Stratford (J.T.) & Sons Ltd v. Lindley [1965] A.C. 269, considered.

(4) The tort of abuse of process cannot be committed when the process alleged to be abused has not been instituted.

Grainger v. Hill (1838) 4 Bing. N.C. 212, 132 E.R. 768 and Speed Seal Products Ltd v. Paddington [1986] 1 All E.R. 91, referred to.

(5) The overt purpose of the threatened proceedings was clearly stated: to obtain back the domain name for the second defendant. There was no question of a collateral or ulterior purpose. If the second *799 defendant's proceedings were bound to fail, the appropriate remedy would have been an application to strike out.

Goldsmith v. Sperrings Ltd [1977] 1 W.L.R. 478 and Re Major a Debtor, ex p. The Debtor v. F. A. Dumont Ltd [1955] Ch. 600, considered.

(6) The letter of March 27, 1997 was an entirely legitimate letter written for the purpose of asserting the second defendant's rights. Such a commonplace letter before action did not constitute an abuse of process. The abuse of process cause of action was not remotely arguable.

The following cases were referred to in the judgment:

Goldsmith v. Sperrings Ltd [1977] 1 W.L.R. 478.

Grainger v. Hill (1838) 4 Bing. N.C. 212, 132 E.R. 768.

Re Major a Debtor, ex p. The Debtor v. F. A. Dumont Ltd [1955] Ch. 600.

Speed Seal Products Ltd v. Paddington [1986] 1 All E.R. 91.

Stratford (J.T.) & Sons Ltd v. Lindley [1965] A.C. 269.

Representation

Adrian Speck instructed by Dibb Lupton Alsop appeared for the plaintiff. Michael Bloch instructed by Willoughby & Partners appeared for the defendant.

SIR RICHARD SCOTT:

This case raises questions about the rights acquired by someone who registers an Internet domain name and it has required me to try to understand the way in which the Internet system operates. I am grateful for the explanatory evidence given in their respective affidavits by Mr Henderson Thynne and Mr Rance. It is convenient I think that at the outset of this judgment and before describing the issues in the case I should give a description of the Internet system sufficient to enable the issues that have been argued before me to be comprehensible. In doing so I shall hope to avoid inaccuracy by using so far as possible the language of the two deponents.

The Internet is a network of computer networks. A computer which is attached to an appropriate network can use appropriate software to communicate and exchange information quickly with any other computer on the network. In order to receive or to make available information on the Internet a domain name is needed. A domain name can be likened to an address. It identifies a particular Internet site. A particular domain name will only be allocated to one company or individual. It represents that company's computer site and is the means by which that company's customers can find it on the Internet. Electronic messages (e-mail) can be transmitted and received on the Internet. These messages are directed to e-mail addresses which

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will include the domain names of the addressees. A web site address, too, will include the main name of the owner of the web site. A web site is a series of files on a computer on the Internet that can be accessed by anyone via the Internet.

It will be apparent, therefore, that in order to receive e-mail on the Internet and in order to establish a web site on the Internet a domain name is needed. Domain names appear as words. The name in issue in the present *800 case, for example, is "pitman.co.uk". However, when a domain name is used on the Internet it is translated into numbers known as I.P. numbers. The translation is carried out by a series of computer software packages known as domain name servers. An I.P. number is required both to send and to receive e-mail. Besides translating domain names into I.P. numbers the name servers provide services to the software on clients' computers.

Co.uk and com. are two of the most common domain name suffixes. They connote respectively United Kingdom companies and international companies. The Internet system has grown up informally and without statutory regulation. It was originally established and run, as I understand it, by academic bodies. The Internet Assigned Numbers Authority ("IANA") is operated by the Information Sciences Institute of Southern California and is the body which has become, for historical reasons, responsible for the allocation of top level domains. In the domain name "pitman.co.uk", "uk" is the top level domain designating the United Kingdom. In about 1985 IANA authorised an academic organisation in the United Kingdom, known as the United Kingdom Education and Research Networking Association (UKERNA) to administer the domain name system for the United Kingdom under the "uk" top level domain.

Initially the Internet was only used by academics and UKERNA gave domain names to universities and to other academic bodies. From about 1992, however, the Internet began to be used commercially and the business transacted on the Internet began to increase dramatically. Arrangements became necessary to deal, *inter alia*, with the allocation of domain names to companies and individuals desirous of using the Internet. In September 1985 a committee, the United Kingdom

Naming Committee, was formed as an off-shoot of UKERNA to administer the United Kingdom domain. The Naming Committee consisted of United Kingdom Internet Service Providers. A service provider is a company whose business it is to arrange access to the Internet for its customers. A charge is naturally made for this service. The service provider can provide the customer with the facilities the customer needs in order to get connected to the Internet. It can obtain for the customer a domain name and e-mail facilities and set up a web site for the customer.

There are two service providers who figure in this case. One is I-Way Ltd, which acted for the second plaintiff, PTC Oxford Ltd. The other is Demon. I imagine it is a company but I do not know its full corporate title. Demon acted on instructions given by Netnames Ltd for the second defendant, Pearson Professional Ltd. Netnames Ltd is a company which offers a service to clients in arranging for the registration of domain names, but is not itself a service provider. So in its dealings on behalf of its client, Pearson Professional Ltd, it acted through Demon. Both I-Way and Demon were members of the United Kingdom Naming Committee. Mr Henderson Thynne is the Netnames domain name manager. Mr Rance is I-Way's technical director.

The United Kingdom Naming Committee, at its inaugural meeting on September 30, 1995, agreed on rules to be followed in dealing with *801 applications for co.uk domain names. It may seem a matter of some surprise that it had operated from 1985 to 1995 apparently without rules. Be that as it may, in September 1995 it decided to have rules.

One of the rules was that if more than one application for the same domain name should be received, a first come/first served rule would be applied. On August 1, 1996 a company, Nominet U.K., which is the first defendant in this action, took over from the United Kingdom Naming Committee the responsibility for allocating United Kingdom domain names. Nominet is a company limited, as I understand it, by guarantee. I am not clear whether it purports to be a profit-making company.

Prior to August 1, 1996 the procedure for obtaining a particular domain name required an

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application to be made by a service provider. The application would be made by e-mail. It would be an application for registration in the name of the client of the chosen domain name. There then had to be a wait for a set number of days, originally as I understand it five, but later reduced to three, before an application for delegation of the domain name could be made. Finally, at the end of the fixed period, whether five or three days, and provided no objections had been raised by any of the other service providers, a second e-mail was sent by the applicant requesting the delegation to its client of the chosen domain name.

When on August 1, 1996 Nominet U.K. took over the allocation of domain names from the Naming Committee, the first come/first served rule was maintained. Nominet adopted a rule that "where two applications are for the same name then the one which is received first shall have prior claim."

The problem in the present case has arisen out of the circumstance that both the plaintiffs, Pitman Training Ltd and PTC Oxford Ltd, and the second defendant, Pearson Professional Ltd, are entitled to use for their respective trading purposes the name or style "Pitman". One of the divisions of Pearson Professional Ltd, which is a wholly owned subsidiary of Pearson Plc, is Pitman Publishing, whose main business is the publication of books and electronic publications for university or college students. The managing director of Pitman Publishing, Mr Bristow, has described it in his affidavit as "Europe's largest publisher of business management, education and development materials in the English language in paper based and screen formats." Pitman Publishing has an annual turnover in excess of <<PoundsSterling>>20 million. Its United Kingdom annual turnover is in excess of <<PoundsSterling>>10 million. The Pitman name has been associated with the publishing business since 1849. The Pitman business, founded as I understand it by Sir Isaac Pitman, originally included not only publishing but also a training business and an examination business. Of course the Pitman name was associated with each of these businesses. The businesses were sold in 1985. The publishing business was acquired by Pearsons. The training business was acquired by Pitman Training Ltd, the first plaintiff. The examination business was sold off to another party.

The continued use of the Pitman style, the Pitman name, for trading purposes by each of these purchasers of parts of the previous Pitman business was regulated by an agreement to which Pitman Training Ltd and, *802 as I understand it, the predecessors of Pearson Professional Ltd were parties. It was dated June 28, 1985. Under the agreement Pitman Training Ltd covenanted for itself and its successors in title to the training business:

that none of them will at any time hereafter carry on or be directly or indirectly engaged or concerned or interested in carrying on in any part of the world, whether on its own account or as the agent, partner or associate of any other person, firm or company or to any subsidiary company:

(1) the publishing of books, periodicals or magazines with the exception of publications ancillary to the training business including correspondence courses under the name or imprint of Pitman or which includes the name Pitman, or

(2) any trade or business under the name Pitman or any name likely to cause confusion therewith

but so that Pitman Training Ltd shall be authorised by virtue of this agreement to carry on and conduct training and correspondence courses under the following names,

and then a number of names are set out:

and such other names including the name Pitman which clearly indicate that the use is in connection with training or correspondence courses.

It would seem that this covenant would bar Pitman Training Ltd from using for its business purposes the domain name "pitman.co.uk". I am told, however, that over the period since 1985, Pitman Training Ltd has carried on its training business using from time to time the name or style Pitman without any words, indicating that the use of that style is in connection with training or correspondence courses. So I understand, although there is no evidence to that effect. I understand also that a case of waiver may be raised as an answer to the allegation that the use by Pitman Training Ltd of the domain name "pitman.co.uk" constitutes a breach of the 1985 covenant.

So much for background and I now come to the events which have given rise to this litigation. On February 15, 1996 Netnames Ltd received a request from the second defendant, Pearson Professional

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Ltd, to arrange for the registration of "pitman.co.uk" and pitman.com as domain names for the benefit of its Pitman Publishing Division. On February 16, 1996 Mr Henderson Thynne sent an e-mail request for those two domain names. On the same day he received an e-mail response confirming that his application had been accepted on to the automated system and that the three-day (as it had become) objection period had begun to run. No objection was received to that application. So on February 21, Mr Henderson Thynne applied, again by e-mail, for the two domain names to be delegated to the two designated name servers. On the same date, February 21, Mr Henderson Thynne received an e-mail response which showed, by the words "entry processed ok", that the application had been received and duly processed. The response indicated that alterations to the domain names database so as to connect the domain names to the designated name servers had been made. Accordingly, Mr Henderson Thynne issued certificates of registration of the two domain names to the second defendant. The procedures I have described established the second defendant as the company entitled to the *803 domain name, "pitman.co.uk". No issue in this action turns on the other domain name. Pitman Publishing did not, however, intend to make any immediate use of the "pitman.co.uk" domain name save for certain advertising purposes that I will mention in a moment. Pitman Publishing did not intend to make use of Internet facilities for which the domain name would have been needed. So steps were not taken to translate the domain name into I.P. numbers. It was the intention of Pitman Publishing to set up a web site and to publish one or more of its publications on the established web site. The planning of this web site took, Mr Bristow said in his affidavit, a good deal of time. He has explained:

Although the Internet is already important, we consider that it will become increasingly important in the future, indeed, so important that it is crucial to manage the way that the Pitman brand in relation to our publishing business is marketed on the Internet. We spent time considering and planning the web site, assessing what would be the most appropriate content and the most appropriate way to display that content. This was done by canvassing the opinion of senior people in Pitman Publishing and forming a working party to make the relevant decisions all of which takes time. The outcome of

the decision was that we would start with a relatively inexpensive site based around one major publication. This would be an experimental attempt to learn what we could from marketing on the Internet and we would move on to a general Pitman site as time went on. Once these decisions were taken we began the process of constructing the site in or around September 1996.

15. We had planned to put our web site on the Internet from December 10, 1996 and to co-ordinate it with the launch of the product to be the main feature on the web site, a book called "Mastering Management".

In the meantime, however, Pitman Publishing had made no use of the domain name it had registered save that the first 10,000 copies of the Mastering Management book had included a web site address which incorporated the domain name, "pitman.co.uk". Also in a number of advertisements for the book appearing in national newspapers in December 1996 the web site address incorporating that domain name was given. In December 1996 Pitman Publishing attempted to connect its web site to the "pitman.co.uk" domain name. The attempt ran into difficulties. It transpired that, unknown to Pitman Publishing, the "pitman.co.uk" domain name had been redelegated to the second plaintiff, PTC Oxford Ltd.

The story of how the second plaintiff came to be registered with the "pitman.co.uk" domain name is told by Mr Stanley Hunter, its managing director, in his affidavit sworn on April 14. The second plaintiff is a computer and office skills training centre. It is a franchisee of Pitman Training Ltd, the first plaintiff, and has been so since April 1995. In March 1996 Mr Hunter contacted I-Way (as I have said, I-Way is an Internet Service Provider) and asked I-Way to check whether the domain name "pitman.co.uk" was available and, if so, requested that that name be registered to his company, PTC. The evidence does not disclose exactly what was done by I-Way pursuant to the instructions that it had received from Mr Hunter. But it is not in doubt that Mr Hunter was told that there was no prior registration of the "pitman.co.uk" domain name and on March 15, 1996 the registration of that *804 domain name in the name of PTC was confirmed by I-Way to Mr Hunter. It is also not in doubt that by March 31, 1996 the "pitman.co.uk" domain name had become

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attached to I-Way's primary and second name servers in place of Pitman Publishing's name servers to which as late as March 24, 1996 the domain name was still attached. No one, neither of the two experts who have given evidence in this case nor anyone else, has come up with any clear explanation beyond mere speculation as to how this could have happened. It should not have been possible but it did happen. Unknown to Pitman Publishing their domain name was removed from their name servers, was registered in the name of PTC and was attached to PTC's name servers. PTC and Mr Hunter had no knowledge that the domain name had previously been registered in the name of Pitman Publishing.

In about July 1996 PTC began actively using its "pitman.co.uk" domain name. It produced publicity literature which included an e-mail address incorporating that domain name. The literature was sent out to some 500 local companies and 1,000 private individuals. From about November 1996 PTC began to place advertisements in the local trade and consumer press, all of which included the e-mail address incorporating the domain name. To date, however, PTC have received only two e-mail corporate responses to these advertisements. Those responding would, of course, in doing so have used the e-mail address incorporating the "pitman.co.uk" domain name.

The discovery in December 1996 by Pitman Publishing that its domain name had been reallocated to and was now being used by PTC produced, understandably, a considerable volume of correspondence both between the parties and eventually solicitors on their behalf and between each of the parties and Nominet U.K.

Pitman Publishing called on Netnames Ltd, who had acted for them in registering the domain name, to sort out the difficulty. In a letter dated December 23, 1996 to Netnames Mr Bristow said:

We have never requested a change to that registration and still require our domain name as certified by you. You have indicated that the name was registered by you and at some time subsequently has been reregistered to Pitman Training Services. We request that the registration is reverted to us immediately.

Netnames reported back to Pitman Publishing on

February 13, after no doubt they had made inquiries, that Netnames had properly registered the domain name with the United Kingdom Naming Committee and that the Naming Committee had been in error in reregistering the domain name to PTC. On February 14, 1997 Netnames told Mr Bristow that Dr William Black, the managing director of Nominet U.K., would be dealing with the problem. Dr Black did indeed contact both parties. He suggested mediation in order to resolve the problem but the suggestion of mediation did not bear fruit and solicitors were appointed on all sides. Willoughby & Partners were instructed to act for Pitman Publishing, and on March 4, 1997 they wrote to Nominet U.K. pointing out, as was the fact, that Pitman Publishing had been first in time in applying for the "pitman.co.uk" domain name, that the rules of Nominet required priority to be given to the applicant who was first in *805 time and requesting that Nominet reallocate the domain name to the first in time applicant, namely Pitman Publishing, and do so as soon as possible. In a letter of the same date to PTC, Willoughby & Partners made the same point about the rules and Pitman Publishing's priority in time as had been made in the letter to Nominet. They called on PTC to cease use of the domain name. PTC, by Mr Hunter, responded with a letter of March 7 pointing out that PTC was not responsible for any error that might have been made and insisting that PTC was entitled to continue to use the domain name. Mr Hunter concluded his letter by saying this:

I will defend my right to freely use this domain name and if stopped will commence proceedings against all parties concerned.

PTC shortly thereafter instructed Dibb Lupton Alsop to act for them in the dispute that had arisen. On March 27, 1997 Willoughby & Partners wrote to Morrell Peel & Gamlen, solicitors acting for Nominet. This is an important letter, for it is the foundation on which PTC's alleged cause of action against the second defendants for abuse of process is based. The letter, after referring to previous communications, said this:

Our client finds it difficult to understand the delay in redelegation of the pitman.co.uk name to Netnames' server for our client's use. As far as we are aware you have no reason to believe that our client was not the first applicant and thereby entitled to the name.

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Further, all the evidence points to the fact that our client was the first applicant and was accepted as such.

Then, after some specific references to evidence that I need not trouble to read, the letter continued:

Accordingly, our client is of the opinion that there is no reason why the pitman.co.uk name should not be redelegated immediately for our client's use.

Finally, there is no question of our client waiting beyond 4th April for a full satisfactory reply from Nominet U.K. In the absence of notification by that date that the name will be redelegated for our client's use we have received a strong indication from our client that proceedings will be issued.

On April 4, Nominet U.K., having apparently been persuaded by Willoughby & Partners' letter of March 27, wrote to PTC informing them that the "pitman.co.uk" domain name was being transferred back to the second defendant, back to Pitman Publishing. The transfer was effected by, at latest, April 7, 1997. Accordingly, as from that date PTC's e-mail address that had included the domain name could not be used for e-mail communications with PTC. These proceedings were then commenced. The writ was issued on April 9, with Pitman Training Ltd as first plaintiff and PTC Oxford Ltd as second plaintiff. Nominet U.K. was first defendant and Pearson Professional Ltd was the second defendant. An *ex parte* application for relief was made to and granted by Jacob J. on April 8. The judge ordered that Nominet "do forthwith reinstate the Plaintiff's electronic mail address with the name 'enquiries ca pitman.co.uk'" and ordered also that until after April 8, 1997 the first defendant was not to suspend or remove the plaintiff's electronic mail address with the name "enquiries ca pitman.co.uk", nor to *806 provide Internet services or any electronic mail address with the name "pitman.co.uk" or any name including "pitman.co.uk" to any person other than the plaintiffs. There was also an order made against the second defendant ordering that over the same return date the second defendant "must not use any electronic mail address or Internet service with 'pitman.co.uk' in its name".

On April 11 the application for interlocutory relief came *inter partes* before Lightman J. The matter

was dealt with on that occasion by a consent order. First, as against Nominet U.K., an order was made restraining Nominet U.K. from suspending or removing the plaintiffs' Internet services or electronic mail address with the name "pitman.co.uk" or providing Internet services or any electronic mail address with the name "pitman.co.uk" to any person other than the plaintiffs. That consent order was made until judgment or further order. So far as Nominet was concerned that appeared to dispose of the interlocutory application. As against the second defendant, however, the consent order was expressed to continue until a full hearing of the interlocutory application. The full hearing has been the hearing before me. Over that period the second defendant was restrained from using any electronic mail address or Internet service which included in its name "pitman.co.uk". In the hearing before me Nominet has not taken any part, although I have been told, and can well believe, that it has had somebody listening to what has been said. The issue before me is whether PTC should, pending trial, have an injunction against the second defendant in the form of the injunction which has been running until today. The present position, as I understand it, is that although the domain name remains reallocated to the second defendant, to Pitman Publishing, technical arrangements have been made by Nominet for e-mail communications to PTC's e-mail address incorporating the domain name to continue to be received by PTC. This is apparently technically possible without reallocating the domain name back to PTC. So the name remains formally with the second defendant to whom it was reallocated by Nominet at the beginning of April but PTC has been in a position to continue to receive e-mail through an address incorporating that domain name. How this is technically possible I do not know but I do not think I need to.

It is trite law and, of course, common ground that interlocutory relief in an action can only be granted in support of some viable cause of action. If a plaintiff cannot show a reasonably arguable cause of action against a defendant the plaintiff cannot obtain any interlocutory relief against that defendant, however convenient the grant of that relief might appear to be. In the present case three alternative causes of action against the second defendant have been put forward on behalf of the

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plaintiffs. Two of them, passing off and tortious interference with contract, are mentioned in the relief sought by the writ and are set out more fully in the draft statement of claim. But the third, abuse of process, is the subject of a proposed amendment to the writ for such leave is needed. Leave should, of course, not be granted unless the proposed cause of action can be made to appear reasonably arguable. I am of the opinion that none of these three causes of *807 action is reasonably arguable, that none has any prospect of success. Let me take them in turn.

1. Passing off

It is said that the use by Pitman Publishing of the domain name "pitman.co.uk" would constitute passing off. This strikes me as a strange proposition, bearing in mind that Pitman Publishing has traded under the style Pitman for nearly 150 years and that in 1985 when the Pitman businesses were sold off separately it was agreed that the purchaser of the publishing business would continue to trade under the style Pitman. Indeed, it was agreed that the purchaser of the training business would not trade under that style unless the name "Pitman" was accompanied by the word "training". The use by PTC of the "pitman.co.uk" domain name seems to me to be in breach of the 1985 agreement. Be that as it may, it is not Pitman Publishing that is suing PTC. It is the other way around. PTC contends that its, PTC's, use of the domain name in the period March 1996 to date has led the public to associate that domain name (as opposed to the style Pitman *per se*) with it, PTC. So the use of the domain name "pitman.co.uk" by Pitman Publishing would, it is contended, constitute passing off by Pitman Publishing. The evidence does not even begin to support the contention that the public associates the domain name "pitman.co.uk" with PTC. PTC has had only two e-mail responses to the advertisements it has put out. During the time PTC has been using the "pitman.co.uk" domain name in its advertisements so too has Pitman Publishing been using the domain name in its advertisements. Both have been using the domain name in their respective advertisements. Not only is there no evidence that the public has come to associate the domain name exclusively with PTC, but it is in my opinion highly improbable that that could have happened. That there may be some

confusion experienced by some members of the public is undoubtedly so. But that confusion results from the use by both companies, PTC and Pitman Publishing, of the style Pitman for their respective trading purposes. No viable passing off claim against Pitman Publishing arising out of the future or past use by Pitman Publishing of the "pitman.co.uk" domain name has, in my judgment, been shown.

2. Interference with contract

The tort relied on is described in Clerk and Lindsell on Torts (17th ed.), para. 2309 as follows:

Knowingly to procure or, as it is often put, to induce a third party to break his contract to the damage of the other contracting party without reasonable justification or excuse is a tort. Lord Macnaughton said that "a violation of a legal right committed knowingly is a cause of action and it is a violation of legal right to interfere with contractual relations recognised by law if there be no sufficient justification for the interference".

Two points pertinent to the present case arise out of this authoritative statement of the ingredients of the tort. First, what is the interference with *808 contractual relations said to have been committed by Pitman Publishing? Secondly, is there reasonable justification for such interference by Pitman Publishing as may be shown to have taken place? As to the first, the contract relied on by the plaintiffs is the contract between PTC and I-Way. In the draft statement of claim the contract is pleaded as follows:

7. On about 13th March 1996 the Second Plaintiff asked I-Way Limited, an Internet service provider, to apply for the Internet domain name "pitman.co.uk" in the name of the Second Plaintiff and to provide Internet services to the Second Plaintiff under the said domain name.

8. The said I-Way Limited agreed to apply for the said domain name and provide Internet services to the Second Plaintiff under the said domain name . . .

So the contract with I-Way is pleaded as a continuing contract to provide Internet services to PTC under the domain name "pitman.co.uk".

Paragraph 12 of the draft statement of claim alleges a number of implied terms of the agreement.

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They are as follows:

12(1) that the Internet services (including electronic mail service) would continue to be provided by I-Way Ltd while the Second Plaintiff paid the charges applicable from time to time; alternatively,

12(2) that the Internet services (including electronic mail service) would not be terminated without reasonable notice; and

12(3) that once delegated to the Second Plaintiff the domain name "pitman.co.uk" would not be withdrawn from the Second Plaintiff or transferred to another without the consent of the Second Plaintiff.

The third of these implied terms is for present purposes the critical one. The control of domain names is not in the hands of I-Way but of Nominet U.K. Formerly it was in the hands of the United Kingdom Naming Committee. For I-Way, in effect, to guarantee to a client what the Naming Committee, or now Nominet, would or would not do with a particular domain name would seem to me a very improbable obligation for I-Way to assume. I can see no basis upon which such an obligation could be introduced into the agreement between PTC and I-Way as an implied term. It is not a term necessary for the business efficacy of the alleged agreement. It is certainly not a term to which the parties, if asked by the officious bystander, would have given the testy answer, "Of course." If, as is my view, such a term could not be implied into the agreement between PTC, and it was certainly not an express term, Pitman Publishing's action in urging Nominet to reallocate the domain name to Pitman Publishing would not constitute an interference with the agreement between PTC and I-Way. There would, on that footing, be no basis for the alleged tort.

But let it be supposed, for the sake of argument, that the term expressed in paragraph 12.3 could be added as an implied term to the agreement between PTC and I-Way, what then? The urging by Pitman Publishing of Nominet U.K. to reallocate the domain name "pitman.co.uk" to Pitman Publishing and Nominet U.K.'s consequent reallocation of the domain name would, on the hypothesis I am considering, have brought about a breach by I-Way of its highly improbable contractual obligation to PTC. But why should that constitute a tort so far as

Pitman Publishing is concerned? Why should not *809 Pitman Publishing, to whom after all the domain name had first been allocated, make representations in its own interests and for its own legitimate trading reasons in order to recover for itself the domain name of which it had been in error deprived? To describe such conduct as tortious seems to me unacceptable. If A and B choose to enter into a contract on terms which would be broken if C and D, engaged on their own affairs and lawfully pursuing their own interests, embark on a certain course of conduct, why should C and D be inhibited in what they can lawfully do and described as tortfeasors simply because A and B have chosen so to contract? Mr Speck suggested that *J. T. Stratford & Son Ltd v. Lindley* [1965] A.C. 269 was an authority in his favour on this point. It is true that the House of Lords in *Stratford v. Lindley* did characterise as tortious the conduct of the union in persuading the watermen to withdraw their services with the result that the hirers of barges were unable to return the barges and were in breach of contract. But the facts of that case were miles away from the facts of the present case and to my mind constitute no guide to what conclusion would be justified on the facts of the present case. It seems to me obvious that Pitman Publishing was entitled to try, if it could, to persuade Nominet U.K. to restore to it its chosen domain name of which it had been deprived by error. It was pursuing its normal and legitimate business interests in so doing. To the extent that its efforts in that regard may have involved interference with PTC's agreement with I-Way, Pitman Publishing had in my judgment reasonable and lawful justification for what it did. I accordingly regard the interference with contract cause of action as unarguable.

3. Abuse of process

Mr Speck has taken me to the authorities which establish the existence in the English lexicon of causes of action of an abuse of process cause of action. The authorities start with *Grainger v. Hill* (1838) 4 Bing. N.C. 212. In *Speed Seal Products Ltd v. Paddington* [1986] 1 All E.R. 91 the Court of Appeal accepted that the tort would lie where it could be shown that proceedings had been instituted in order to effect an object or purpose not within the scope of the process that had been instituted. In the present case it is alleged that Pitman Publishing

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committed the tort of abuse of process in threatening by Willoughby & Partners' letter of March 27, 1997 to sue Nominet if Nominet did not restore to Pitman Publishing the domain name "pitman.co.uk". But the proceedings were never commenced. I do not see how a tort of abuse of process can be committed if the process to be abused has never been instituted. Secondly, the purpose of the proceedings threatened in Willoughby & Partners' letter of March 27 was to obtain back the domain name. That was the overt purpose of the proceedings that were threatened. There was no collateral or ulterior purpose. There was only that overt purpose. Mr Speck submitted that such an action was bound to fail. Therefore he said, as I understood it, the purpose of the threatened proceedings should be treated as a collateral or ulterior purpose. But if proceedings are bound to fail then, when they are brought, they can be *810 struck out. The proceedings threatened by the letter of March 27, 1997 were never brought and the purpose for which they were threatened, the relief that would have been sought if the proceedings had been instituted, was clearly stated. Mr Speck referred to *Re Majora a Debtor* [1955] Ch. 600 in which Lord Evershed M.R., giving the judgment of the court, had said, at page 623:

The so-called "rule" in bankruptcy is, in truth, no more than an application of a more general rule that court proceedings may not be used or threatened for the purpose of obtaining for the person so using or threatening them some collateral advantage to himself, and not for the purpose for which such proceedings are properly designed and exist; and a party so using or threatening proceedings will be liable to be held guilty of abusing the process of the court and therefore disqualified from invoking the powers of the court by proceedings he has abused.

In so far as this dictum refers to the threat of proceedings it was *obiter*, *obiter* of considerable authority but *obiter* nonetheless. There never has been a case, so far as the researches of counsel have shown or so far as my own knowledge goes, in which the tort of abuse of process has been found to be committed simply by a threat of proceedings. In every case where the tort has been found to be committed there has been the actual institution of the process said and held to have been abused. Moreover, there is the reiteration in the passage from Lord Evershed's judgment that I have cited

that proceedings should not be used and the institution of proceedings should not be threatened for some collateral advantage. "Collateral" in that context must mean an advantage outside the overt reason for which the proceedings are, or would be, brought.

Mr Speck referred also to *Goldsmith v. Sperrings Ltd* [1977] 1 W.L.R. 478, the case in which it was alleged that the plaintiff, Mr Goldsmith, was bringing libel actions against newsagents and distributors of magazines in order to prevent the distribution via those outlets of the magazine *Private Eye* against which he was waging a long sustained campaign. At page 489C Lord Denning, M.R. in his dissenting judgment said this:

In a civilised society, legal process is the machinery for keeping and doing justice. It can be used properly or it can be abused. It is used properly when it is invoked for the vindication of men's rights or the enforcement of just claims. It is abused when it is diverted from its true course so as to serve extortion or oppression: or to exert pressure so as to achieve an improper end. When it is so abused, it is a tort, a wrong known to the law. The judges can and will intervene to stop it.

Later below he said:

At other times the abuse can only be shown by extrinsic evidence that the legal process is being used for an improper purpose. On the face of it, in any particular case, the legal process may appear to be entirely proper and correct. What may make it wrongful is the purpose for which it is used.

In the present case the tort of abuse of process is said to have been committed by the letter of March 27, 1997 sent by Willoughby & Partners to *811 Nominet U.K. The letter was sent in order to attempt to persuade Nominet to restore to Pitman Publishing the domain name "pitman.co.uk". The letter alleged that Pitman Publishing was entitled to have the domain name restored to it because it had been the applicant first in time and according to the Nominet rules the first in time was to have priority. The reallocation of the name to Pitman Publishing was sought as a matter of urgency and it was said in the letter that if that was not done legal proceedings would ensue. The letter seems to me to have been an entirely legitimate letter to have been written for the purpose of asserting a right in a client. Whether,

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if proceedings had been commenced seeking an order against Nominet U.K. that it restore the domain name to Pitman Publishing, the proceedings would have been successful is another matter. It may be that the proceedings would not have been successful. But the proceedings would have been brought for the purpose of obtaining the relief to which I have referred, relief that would have been sought in the proceedings themselves. There would have been no question of a collateral purpose. If the proceedings had been commenced and it had been thought that the action was plainly unsustainable, striking out procedure would have constituted the appropriate remedy. To describe a letter of that character as (to use Lord Denning's language in *Goldsmith v. Sperrings*) serving extortion or oppression seems to me entirely inapposite. The proceedings that were threatened might or might not have been successful but there was no collateral or ulterior purpose. It does seem to me grotesque to describe such a letter, an entirely commonplace letter before action in the context of letters written by solicitors on behalf of their clients, as an abuse of process. I do not regard the abuse of process cause of action as being remotely arguable.

I would, therefore, refuse leave to amend the writ to add the cause of action and do not regard it as constituting any basis for sustaining the grant of interlocutory relief.

In the result, as I have said, I have come to the conclusion that the plaintiffs have no viable or reasonably arguable cause of action against the second defendant. Accordingly, I must dismiss this application for interlocutory relief and I do so.

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