Neutral Citation Number: [2024] EWHC 425 (IPEC)

Case No: IP-2023-000051

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY ENTERPRISE COURT (ChD)

Rolls Building
Fetter Lane
London, EC4A 1NL

1 March 2024

Before :

MICHAEL TAPPIN KC
(sitting as a Deputy Judge of the High Court)

- -

Between :

SERAPHINE LIMITED

Claimant

- and -

MAMARELLA GMBH

Defendant

- -
- -

BEN LEWY (instructed by **Fox Williams LLP**) for the **Claimant**
GWILYM HARBOTTLE (instructed by **Palmer Biggs IP Solicitors**) for the **Defendant**

Hearing date: 26 February 2024

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Approved Judgment

I direct that no official shorthand note shall be taken of this judgment and that copies of this version as handed down may be treated as authentic.

This judgment was handed down remotely at 10.30 am on 1 March 2024 by circulation to the parties' representatives by email and release to The National Archives.

The Deputy Judge:

1. The Claimant ("Seraphine") and the Defendant ("Mamarella") previously had a trading relationship in which Mamarella would purchase, for resale, maternity clothing produced by Seraphine. That trading relationship came to an end in 2022 when Seraphine discovered that Mamarella was selling maternity clothing which Seraphine alleged infringed unregistered design rights which it claims to own.

2. These proceedings were commenced by Seraphine on 13 June 2023 and were initially purportedly served on Mamarella in Germany (without seeking the court's permission) by post. Seraphine contended that service by post was permitted pursuant to the 1928 Convention between His Majesty and the President of the German Reich regarding Legal Proceedings in Civil and Commercial Matters. Mamarella issued an application notice dated 17 July 2023 seeking (1) to set aside service and declare that the court has no jurisdiction on the grounds that (a) service was invalid and/or (b) none of the rules permitting service out of the jurisdiction without the court's permission applied, and/or (2) a stay of the proceedings pending the outcome of proceedings in Germany.

3. Seraphine then served the proceedings again under the Hague Convention via the Foreign Process Section, with service taking place on 16 October 2023. Mamarella issued a second application notice dated 20 November 2023 which was in essentially the same terms as its first, save that it no longer took a point about service being invalid. The point about whether service by post was valid under the 1928 Convention is now relevant only to costs.

4. The parties agreed that both applications should be heard together, alongside an application dated 14 February 2024 by Seraphine for permission to amend its claim form and Particulars of Claim and applications by both parties for permission to rely on expert evidence of German law in relation to the stay application.

5. For reasons that will become apparent, many of the issues raised by these applications fell away, at least for present purposes. The real issue between the parties which falls for determination is whether Seraphine was entitled to serve the proceedings out of the jurisdiction without the permission of the Court.

6. Seraphine relies on CPR 6.33(2B)(b):

   "The claimant may serve the claim form on a defendant outside of the United Kingdom where, for each claim made against the defendant to be served and included in the claim form –

   (b) a contract contains a term to the effect that the court shall have jurisdiction to determine that claim;"

7. It was common ground between the parties that the test to be applied when addressing this rule was that set out by the Supreme Court in *Four Seasons Holdings Inc v Brownlie* [2017] UKSC 80 and *Goldman Sachs International v Novo Banco SA* [2018] UKSC 34 and explained by the Court of Appeal in *Kaefer Aislamientos SA de CV v AMS Drilling Mexico SA de CV* [2019] EWCA Civ 10.

8. The test is that of a "good arguable case", i.e.:

"(i) that the claimant must supply a plausible evidential basis for the application of a relevant jurisdictional gateway; (ii) that if there is an issue of fact about it, or some other reason for doubting whether it applies, the court must take a view on the material available if it can reliably do so; but (iii) the nature of the issue and the limitations of the material available at the interlocutory stage may be such that no reliable assessment can be made, in which case there is a good arguable case for the application of the gateway if there is a plausible (albeit contested) evidential basis for it."

9. The Court of Appeal in *Kaefer* explained, inter alia, that: (a) a "plausible evidential basis" is an evidential basis showing that the claimant has the better argument and the burden of proof is on the claimant, (b) the court should seek to overcome evidential difficulties and arrive at a conclusion if it "reliably" can using judicial common sense and pragmatism, (c) part (iii) of the test applies where the court is simply unable to form a conclusion on the evidence before it as to who has the better argument; to an extent it moves away from a relative test and introduces a test combining good arguable case and plausibility of evidence.

10. Seraphine's currently pleaded case relies on a document signed on behalf of Mamarella on 11 March 2021 and on behalf of Seraphine on 27 April 2021. That document is headed "Seraphine Limited Terms and conditions of sale". It is a set of standard terms, with certain of the terms struck through as a result of negotiations between the parties. I shall refer to this document as "the 2021 terms document".

11. Seraphine relies on clause 15(a) of the 2021 terms document, which states that:

"The Buyer shall ensure that each reference to and use of any of the Company's IPR by the Buyer is in a manner from time to time approved by the Company and is accompanied by an acknowledgment, in a form approved in writing by the Company, that the same is IPR of the Company."

12. According to definitions in clause 1, the Company is Seraphine and IPR means, inter alia, *"unregistered designs…which may now or in the future subsist in any part of the world."*

13. Seraphine's claim is that Mamarella is in breach of clause 15(a) by making and selling items of maternity clothing which infringe various unregistered Community design rights belonging to Seraphine. Mamarella did not (at least for present purposes) suggest that, if its acts did infringe such rights, those acts would not be a breach of clause 15(a), if it was subject to that clause.

14. Seraphine contends that the court has jurisdiction to determine this claim, and that it could serve these proceedings out of the jurisdiction without the court's permission, because of clause 25 of the 2021 terms document, which contains an English law clause and an exclusive jurisdiction clause:

"(a) The Contract and any dispute or claim arising out of or in connection with it or its subject matter or formation (whether or not such dispute or claim is

contractual) shall be governed by, and construed in accordance with, the laws of England and Wales.

(b) The Company and the Buyer irrevocably agree that, subject to the following sentence, the courts of England and Wales shall have exclusive jurisdiction over any claim or matter arising under or in connection with the Contract (whether or not such dispute or claim is contractual) and that accordingly any proceedings in respect of any such claim or matter shall be brought in such courts. Nothing in the proceedings [sic] sentence shall limit the Company's right to take proceedings against the Buyer in any other court of competent jurisdiction."

15. Mamarella's position is that this exclusive jurisdiction clause does not apply because there was no Contract (as defined). It says that a Contract is a contract for the sale of Goods (as defined) which are the subject of an Order (as defined) and that, while it made orders for goods from Seraphine following signing of the 2021 terms document, those orders did not lead to the creation of a Contract because they were not Orders (and so the goods were not Goods and it was not a Buyer).

16. Mamarella relies on the following definitions in clause 1:

"The "Buyer" is the person, company, firm or entity purchasing the Goods. The "Goods" are any and all goods which are the subject of the Order (defined below) and are agreed in the Contract to be provided by the Company to the Buyer. The "Contract" is any contract between the Company and the Buyer for the sale of the Goods which shall consist solely of the Order and these Terms (defined below)."

17. Clause 2 provides:

"Unless the Company shall specifically agree in writing, all sales of Goods by the Company to the Buyer arising from acceptance of the order overleaf ("the Order") are on the following terms and conditions (the "Terms"). These Terms shall override any terms or conditions submitted proposed or stipulated by the Buyer in whatever form and at whatever time, whether written or oral, which are expressly waived and excluded. Without prejudice to the foregoing, Buyer's Order for the Goods shall be deemed to constitute acceptance of these Terms to the exclusion of all other terms and conditions whatsoever."

18. Reliance was also placed by the parties on certain aspects of clause 3, namely:

"(a) Unless agreed otherwise in writing by the Company, all Orders are subject to an initial order value of not less than £2,000 (or currency equivalent) per season, across a minimum of 10 different options, and to a £500 (or currency equivalent) repeat order following the initial first order.

(b) Each Order issued by the Buyer will be deemed an offer by the Buyer to purchase the Goods subject to these Terms. No Order shall be deemed to be accepted by the Company until the Company has given to the Buyer a signed copy of the Order, The Company confirms the order by email or (if earlier) the Company supplies the Goods to the Buyer. Giving a signed copy of the Order to

the Buyer or an email from the Company confirming the order shall constitute acceptance of the Order by the Company. The Company shall be under no obligation to accept any Order from the Buyer, furthermore if the Company shall accept an Order from the Buyer:

(i) The Company shall be under no obligation to accept any other order from the Buyer at any time in the future; and

(ii) Such acceptance is made on the basis that the Buyer acknowledges and agrees that the trading between the Company and the Buyer does not amount to a course of dealing."

19. Mr Harbottle for Mamarella focussed in particular on the definition of Order in clause 2 as "the order overleaf". He accepted that given that the 2021 terms document runs to several pages and that orders could be electronic, "the order overleaf" should be construed as not limited to orders that were strictly "overleaf". But, he said, it should be construed as only extending to orders that were, as he put it, "otherwise associated with the 2021 Terms". In effect, his submission was that an order placed by a prospective Buyer had to stipulate that it would be on the Terms for it to be an Order. He said that there was no evidence that was the case for any order placed by Mamarella after signing the 2021 terms document and hence there was no good arguable case that there was a Contract containing the jurisdiction clause.

20. Mr Lewy for Seraphine sought to short circuit this by saying that clause 15(a) did not depend on any Order having been placed. However, as Mr Harbottle pointed out, even if clause 15(a) was binding between the parties on signature of the 2021 terms document, the exclusive jurisdiction clause was only in respect of *"any claim or matter arising under or in connection with the Contract"* and there was no Contract for the reasons explained above. I was not persuaded that there was a good arguable case based on the attempted short circuit.

21. However, Seraphine also contended that on a proper construction of the 2021 terms document, the subsequent orders placed by Mamarella were Orders and led to the creation of Contracts which incorporated the Terms, and hence the exclusive jurisdiction clause. In my judgment, on the material before me Seraphine has the better argument on this issue and hence a good arguable case for the purpose of CPR 6.33(2B)(b).

22. As Seraphine pointed out, the 2021 terms document was plainly negotiated with a view to agreeing terms on which future sales of maternity wear would be made by Seraphine to Mamarella. Taking clause 2 as a whole, there is a good arguable case that it defines the terms on which such sales would be made. Mamarella's argument is that it could decide whether the Terms would apply or not by deciding whether or not to specify that its order was on the Terms. But in my judgment there is a good arguable case that the whole purpose of clause 2 was to make Mamarella's orders for goods subject to the Terms unless Seraphine agreed otherwise. While, as Mr Lewy accepted, the 2021 terms document could have been better drafted, if the intention had been to create an agreement having the effect for which Mamarella contends, clause 2 would have been drafted very differently.

23. In particular, I find it difficult to see what the purpose of the second and third sentences of clause 2 could be on Mamarella's case. On its case, unless Mamarella submits an order stipulating that the Terms apply, it is not an Order and cannot lead to a Contract. Why then is it necessary to provide that the Terms override any terms stipulated by the Buyer and that an Order by a Buyer shall be deemed to constitute acceptance of the Terms to the exclusion of all others? Seraphine's case also sits better with the wording of clause 3, and in particular the first sentence of clause 3(b), than does Mamarella's.

24. Therefore, in my judgment, Seraphine has a good arguable case that, in clause 2, "the order overleaf" means each order submitted by Mamarella. Those orders, if accepted by Seraphine, will be on the Terms and give rise to a Contract.

25. While it is not necessary to my decision, I note that Mamarella plainly thought the same about the effect of the 2021 terms document. On 8 December 2022 Petra Bedford, the CEO of Mamarella, wrote an email to Bridget Green, the General Counsel of Seraphine, complaining about Seraphine's failure to deliver goods which Mamarella had ordered. She said:

"I refer to Mamarella's autumn/winter 2022-23 order and Seraphine's attached acknowledgement of this order dated 5 May 2022 with a total order value of 85,432.64 Euro (hereinafter the „Order").

Pursuant to Clause 4.b) of the terms and conditions of sale that were agreed between Seraphine and Mamarella on 27 April 2021, Seraphine would have been entitled to partially cancel or postpone this Order without liability with two months written notice of the planned delivery date – provided, however, "that the value of the affected part of the Order does not exceed 25% of the overall order value". Despite your written order acknowledgement of the Order you have not delivered the ordered goods, but merely sent an email stating that you "have received a mandate from management to put all orders on hold until further notice." While such a statement may have been permissible for up to 25% of the order value, your refusal to deliver any of the ordered goods is a clear breach of contract. We hereby request that you compensate Mamarella for its damages that you have caused by refusing to deliver at least 75% of the ordered goods."

26. Therefore, in my judgment Seraphine was entitled to serve these proceedings, as currently pleaded, out of the jurisdiction without the court's permission.

27. In response to Mamarella's applications, Seraphine sought to rely on an additional basis for its claim, namely versions of its terms and conditions dated 2015 and 2019 respectively. It was common ground that there was no material difference for present purposes between the 2015 and 2019 terms and those set out in the 2021 terms document. However, there is no suggestion that Mamarella signed the 2015 or 2019 terms. Instead it is said by Seraphine that Mamarella's orders before 27 April 2021 were subject to one of those sets of terms because those orders were placed through Seraphine's TradeWeb platform, and that orders through that platform were subject to those terms.

28. It might be thought that, given that I have held that Serephine was entitled to serve these proceedings, as currently pleaded, out of the jurisdiction under CPR

6.33(2B)(b), this point has become moot. However, Seraphine seeks to amend its Particulars of Claim to rely not only on the 2015 and 2019 terms, but also on a number of new designs which it says it owns (while deleting some designs currently pleaded) and to make allegations of infringement in respect of those designs. Mr Lewy told me that of the 18 designs which Seraphine wished to rely on, the pleadings on nine were dependent on the 2021 terms, but the pleadings on the other nine were dependent on the 2015 or 2019 terms. He also told me that, if I were to conclude that Seraphine did not have a good arguable case in respect of the 2015 and 2019 terms, it would not seek to plead the nine designs dependent on those terms. So it is necessary to decide the point.

29. The TradeWeb platform is Seraphine's business-to-business ordering system. There is no dispute that Mamarella used the TradeWeb platform to place orders for maternity wear from Seraphine, before the signature of the 2021 terms document as well as afterwards. However, Mamarella did not accept that orders placed using the TradeWeb platform were subject to any version of Seraphine's terms.

30. In her first statement, Ms Bedford said that while Mamarella was no longer able to log in to TradeWeb, to the best of her knowledge and belief the platform made no reference to and did not incorporate Seraphine's terms (she was speaking about the 2021 terms). In response Ms Green referred to the 2015 and 2019 terms and then said that the TradeWeb platform "states at the bottom *'All orders are subject to Seraphine Terms and Conditions of Sale'*", referring to a screenshot which she exhibited, which was undated but presumably from 2023. She then said that "these terms and conditions are the standard terms referred to in paragraph 7 above", which were the 2015 and 2019 terms. That raised the question of which set of terms she said applied, but given that they were all materially the same, that in itself is not significant. However, surprisingly, no attempt was made to show that any version of the terms was in fact on the platform, whether by a hyperlink from the page of which the screenshot was taken or otherwise, and indeed Ms Green's statement does not in fact say that any version of the terms was available on the platform.

31. In her second statement, Ms Bedford responded by saying that she did not recall seeing any of the terms on TradeWeb and reiterating that Mamarella was no longer able to log in to confirm the position. She also made the point that even if the current version of the platform was as shown in the screenshot, it appeared that the platform had been changed. The response to that came from Simon Bennett, Seraphine's solicitor. He said that "having liaised with the Claimant, to the best of the Claimant's knowledge the Claimant's standard terms and conditions have always been available on the TradeWeb platform. Unfortunately the Claimant does not hold archived versions of TradeWeb."

32. As Mr Harbottle pointed out, no source for Mr Bennett's hearsay evidence was provided, nor was anyone at Seraphine identified as having the knowledge asserted, nor was any basis provided for that knowledge. No documentary evidence was provided (or apparently available) to show what was asserted.

33. Mr Lewy said that it would be very surprising if Seraphine's terms and conditions of sale had not been incorporated into its TradeWeb platform. However, the

counter to that is that it is very surprising that, if they were, Seraphine has not (despite the point having been live for some time) produced evidence which shows that they were or, at least, that they are at present, together with cogent evidence explaining that that has always been the case.

34. I bear in mind that it is for Seraphine to demonstrate an evidential basis showing that it has the better argument. In my judgment it has not done so in relation to the 2015 and 2019 terms. That means that it is unable, on the evidence before me, to satisfy the test under CPR 6.33(2B)(b) in respect of its claim insofar as it depends on the 2015 and 2019 terms.

35. As I have said, in those circumstances Mr Lewy told me that Seraphine would not seek to introduce the nine designs which were dependent on the 2015 and 2019 terms. I shall therefore not give Seraphine permission to introduce a claim based on the 2015 and 2019 terms, or relating to those nine designs. I should add that in any event Seraphine withdrew its proposed amendment in relation to an additional design in the face of a limitation point raised by Mamarella.

36. Mamarella also objected to the proposed amendments to the Particulars of Claim because they pleaded that Seraphine owned the design rights in question because it was the designer. Mr Harbottle pointed out that only natural persons could be designers (see Article 14 of Regulation 6/2002) and said that Seraphine should plead who the designers were and how it claimed to own the designs (by reason of employment of the designers or otherwise). Mr Lewy accepted that point, which applies also to the existing pleading.

37. Mr Harbottle also pointed out that the proposed amendments included an amendment to a confidential schedule which neither he nor his client had seen. I was not provided with a copy of the schedule in its existing or amended form either and so was not prepared to grant permission for it to be amended. The parties indicated that if these proceedings continued, a confidentiality agreement would be reached, allowing this point to be addressed.

38. I propose that Seraphine provide Mamarella with a revised draft Amended Particulars of Claim in accordance with what I have said above, and if any disputes about that draft arise I will adjudicate upon them.

39. As mentioned above, Mamarella had applications to stay these proceedings (if its primary applications failed) pending proceedings in Germany, and in particular those in Munich. Faced with authority to the effect that a party who had agreed to an English jurisdiction clause required overwhelming reasons for a stay on forum non conveniens grounds, and that such reasons could not include factors that were foreseeable at the time the agreement was entered into, Mr Harbottle withdrew Mamarella's application for a stay on the basis of forum non conveniens. He initially persisted in seeking a stay on case management grounds, but eventually agreed that, given that the Munich proceedings were coming to an oral hearing on 18 March 2024, with judgment expected relatively soon thereafter, the more sensible course was simply to give directions for a defence at a time expected to be after the outcome of the Munich proceedings, with liberty to restore the application for a stay.

40. In the light of the above it is not necessary to consider the application for permission to rely on evidence of German law. The parties also did not press me to decide whether the initial purported service under the 1928 Convention had been valid.

41. I would ask the parties to seek to agree an order which reflects my judgment. If there are any disputes I would propose to deal with them on the papers unless the parties think a hearing is necessary.