

EIP



A pig in wolf's clothing?
Wolfoo unable to avoid
valid service by providing
multiple email addresses
for service.

Entertainment One UK Limited & Anor v SCN Media Ltd & Ors [2022] EWHC 3295 (Ch)

A seemingly global battle has begun between the owners of Peppa Pig and the makers of Wolfoo. Russia recently refused a trademark application for Wolfoo following objections from Entertainment One and the makers of Wolfoo are rumoured to be lobbying the Vietnamese government to prevent its cartoons from being taken down on YouTube.

The main battle ground seems to be the UK where proceedings initially got off to a slow start following procedural complaints raised by the Defendants, Wolfoo. However, at the end of last year the High Court delivered a judgment which should now allow the proceedings to begin in earnest.

The Claimants are the owners of Peppa Pig works, including the visual representations of Peppa Pig and the scenery and backgrounds to each Peppa Pig episode. Episodes of Peppa Pig are broadcast over the internet on various channels and in January 2022 Peppa Pig had 84 million subscribers worldwide of which 1.85 million were from the United Kingdom. The Claimants also own three relevant UK registered trademarks, and three EU registered trademarks.

The First and Second Defendants (Vietnamese and US entities) produce and transmit the Wolfoo cartoons. The Fourth Defendant, an individual, is involved in the management of both. They deny targeting the UK market, saying that the UK represents 3% of their total viewers. The Third Defendant is an English company, which has been struck of the

register and played no substantive part in the proceedings.

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The Claimants allege copyright and trademark infringement and passing off by the Defendants, including by:

- reproducing the whole or substantially the whole of the Claimants works in the “Wolfoo” videos;
- reproducing audio clips from Peppa Pig;
- trademark infringement of signs including “Peppa Pig” and “Peppa Pig Toy”; and
- damaging the goodwill of the Claimants by “false association with “Wolfoo”.

Claimants' application regarding service by email

In pre-litigation correspondence, the solicitors acting for the Defendants stated that they would accept service by email and provided two email addresses for this purpose. Some months later, on 24 January 2022, a Claim Form and Particulars of Claim were sent by e-mail to the Defendants’ solicitors using the email addresses provided. Receipt was confirmed and fourteen days later the Defendants filed an acknowledgment of service indicating that the Defendants’ intend to contest jurisdiction.

However, subsequently the Fourth Defendant instructed his solicitors “to withdraw its consent to electronic service and asked them to respond to [solicitors for the Claimants] requesting service in the respective jurisdictions”. The Defendants’ solicitors then wrote to the Claimants’ solicitors informing them that their client had requested that service be made directly to the Defendants and that they were no longer instructed to deal with the documents that had been sent by email on 24 January 2022.

The Defendants brought an application for a declaration that the English court did not have jurisdiction over the claims or that it should not exercise that jurisdiction as a) service had been defective and b) “the Defendants do not target the UK market”. The Claimant then made an application seeking a declaration that service of the claim form by email had been effective and in the alternative an order for service by an alternative method.

Legal analysis

Part 6.7(1) of the Civil Procedure Rules governs service on a solicitor, providing that where a solicitor has indicated that they are instructed to accept service, the claim form must be served at the business address of that solicitor. That is supplemented by CPR 6.3(1)(d), which provides that a claim form may also be served by “fax or other means of electronic communication in accordance with Practice Direction 6A”.

Practice Direction 6A provides, in relation to service by email that where a document is to be served by fax or other electronic means the party who is to be served or the solicitor acting for that party must previously have indicated in writing to the party serving that the party to be served or the solicitor is willing to accept service by fax or other electronic means; and the e-mail address to which it must be sent.

PD6A 4.2 provides:

Where a party intends to serve a document by electronic means (other than by fax) that party must first ask the party who is to be served whether there are any limitations to the recipient's agreement to accept service by such means (for example, the format in which documents are to be sent and the maximum size of attachments that may be received)." (emphasis in the judgment)

The Defendants argued that service in this case was not valid as their own solicitors had provided more than one email address and because the Claimants' solicitors had not enquired about limitations on the agreement for email service. The judge considered the authorities on the requirements of PD6A and commented "the fact of non-compliance with the letter of PD6A means that the Court is left to grapple with prickly issues that are likely to lead to a delay and encourage unnecessary litigation" **[1]**.

The judge noted "The language used in PD6A is mandatory but the task for the Court is to focus on the consequences of failure"[2]. He held it would be wrong to imply into the wording of PD6A paragraph 4.2 that a failure to inquire about limitations would be fatal to service and stated "[i]n my judgment where a solicitor is on the record and signals acceptance of service by electronic means without providing any limitation, it is reasonable to infer that there are no limitations that are out of the ordinary"[3] but "[i]f there has been a failure to ask about limitations, the risk of service not being achieved is firmly on the shoulders of the serving party."[4]

In relation to the provision of multiple email addresses for service, the judge noted that to force the parties to use just one e-mail address for service, as had happened in the recent decision of *Tax Returned Ltd* [2022] EWHC 2515 (Admin), may have unintended consequences and he held "the insistence that service can only be effected by one e-mail address represents on any view an over-technical interpretation that pays insufficient regard to the Interpretation Act".

He went on to give his view that this required the court to consider whether the purposes

of service had been achieved. This includes the receiving party knowing that they have been served with the Claim Form, rather than that they have just been informed about it. The judge held that in this case the purposes had been met and concluded that there had been valid service.

Targeting

There are significant difficulties associated with the protection of intellectual property on the Internet. One issue is whether a party's intellectual property is being infringed in the UK by work on the internet. A key element in determining this is whether the potentially infringing act 'targets' consumers in the UK.

The judge reviewed the case law regarding the term "targeting", noting that the term "targeting" is recognised as unhelpful. He quoted Arnold LJ's observation in *Lifestyle v Amazon* [2022] EWCA Civ 552 at [51]: "The issue is whether there is "use" of the sign in the relevant jurisdiction. In making that assessment, it is important not to be distracted by the label of "targeting".

Having assessed the evidence of the Defendants' actions in the present case, the judge concluded that there was clear evidence that there had been "use" in the UK as viewed through the eyes of the average consumer, that the average consumer would conclude that the Defendants themselves consider the market for their creative works as including the UK and that the courts of England and Wales are seized of jurisdiction.

Forum

The judge also considered whether there was a forum would provide a better alternative to the courts of England and Wales, the Defendants arguing that Vietnam is such an alternative. The judge considered the two limb test in *The Spiliada* [1987] 1 AC 460. The first limb requires that the Defendant must establish that an alternative court is both available and clearly and distinctly more appropriate. The case law also explains that the burden of proof on the first limb lies with the Defendant and if it is not satisfied, then the enquiry should stop there.

The judge held that the Defendants had not shown that the courts of Vietnam are "available" in the requisite sense or that Vietnam is clearly or distinctly more appropriate. The judge held England and Wales was the appropriate forum and the reasons he gave included that the Claimants' goodwill, copyright and trademarks could not be effectively protected outside the UK, and damage to goodwill and other losses claimed have occurred in England and Wales.

Final thought

We will watch the UK proceedings with interest as it will be interesting to see who the court finds to be the 'average consumer' of Peppa Pig. If the average consumer is found to be young child it will be interesting to see what the impact is, as they might readily distinguish Peppa from Wolfoo and give no thought to commercial origin!

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[1] Paragraph 64

[2] Paragraph 95

[3] Paragraph 98

[4] Paragraph 99