

EXTRATERRITORIALITY - THE LAKER SAGA.

In [1983] Australian I.L. News 5 we noted the origins of the cases between Laker Airways and British Airways Board and British Caledonian Airways Ltd. Briefly, in late 1982 Laker commenced an action in Washington seeking more than \$US1 billion in damages from a number of airlines alleging that they conspired to drive Laker out of business by offering their cheap airfares below cost. Laker was therefore unable to secure necessary refinance and went into liquidation. Two British companies sought an injunction from the High Court in London preventing Laker from continuing the United States case. A temporary injunction was granted on 2 March 1983 and on 9 March 1983 the American judge, Judge Greene, issued an order restraining the other defendants in the U.S. Antitrust from taking similar action in other jurisdictions. However, in May, Parker J. denied the request for a permanent injunction against Laker proceeding with the American action. On 23 June, the British Government issued an order under the Protection of Trading Interests Act, 1981 and a general direction by the Secretary of State prohibiting compliance with U.S. Antitrust Laws in relation to air carrier operations under the Anglo American Bermuda Agreement on Civil Aviation, known as Bermuda 11. This was followed by a general direction under Section 2 which prohibited compliance with discovery orders issued in the American Antitrust Series or in the separate Grand Jury Investigation by the Department of Justice. On the 26 July, the Court of Appeal granted the British Airlines appeal, and granted an injunction against Laker continuing its action in the United States' courts. On 10 November, the House of Lords granted a petition for leave to appeal.

The existence of the Grand Jury Investigation was said to have caused the British to delay granting the new People Express a licence to land for its first flight. The licence apparently only became available 12 hours before the first flight, which is anticipated to be popular because tickets are only \$US149.