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## PRESS RELEASE

### **Kuwait Airways Corporation -v – Iraqi Airways Company**

Christopher Gooding of the London Law Firm of Howard Kennedy has represented Kuwait Airways since the 3rd August 1990, the day after the invasion of Kuwait by Iraq. The case Kuwait Airways (KAC) -v- Iraqi Airways (IAC) has been the longest running commercial case in the history of the English Courts, mainly due to a series of findings of perjury against Iraqi Airways which led to an overthrowing of twelve years of previous decisions. Judgments then were issued on the correct facts. Proceedings have been commenced by KAC against the State of Iraq in respect of its financial support for the (perjurious) proceedings.

Christopher Gooding said today

“My clients and I have been somewhat taken aback by the recent press reports of an order by Iraqi Airways for 44 new Boeing and other Bombardier aircraft. The exact value of the order is not stated but is said to be in the region of six billion dollars. There have been further suggestions within Iraq of a partial privatisation of Iraqi Airways. Kuwait Airways holds judgments against Iraqi Airways in excess of one billion dollars. All appeal procedures have been exhausted and these judgments are final and binding. These judgments have been registered throughout Europe and are in the course of being registered in other jurisdictions.

In answer to questions, often from Judges, over the years as to “why are you bothering” the answer is that our instructions have been and continue to be to ensure the proper compensation for KAC’s losses by satisfaction of the outstanding judgments which are Kuwaiti public funds. Iraqi Airways currently flies only to “friendly” jurisdictions. The moment those destinations are expanded IAC’s aircraft will be arrested and its assets seized in satisfaction of outstanding judgments. There should be no doubt about the determination of my clients in this regard. Their determination to see justice and secure full compensation has endured 17 years of litigation during which the full might of the Saddam and subsequent regimes has been deployed to hide the truth. It will not falter now.

In 2004 Lord Justice Thomas said

*"I took the view and expressed it forcefully to KAC that with the change of regime in Iraq one would expect that when the new regime was engaged in this litigation there would be a degree of reality and that this long-running and highly expensive litigation would be compromised. It is quite clear to me that what I said to Kuwait had some impact. They took a sensible commercial decision ...and terms were initially agreed..."*

*What is absolutely clear is that the sense of reality that KAC have towards this litigation is not matched in any shape or form by...the CPA or Iraqi Airways. It is as if this litigation was still being conducted under the direction of the former Dictator of Iraq Saddam Hussein....."*

Since that time the lack of reality has persisted. There have been numerous attempts by IAC to avoid its' responsibilities. It is now clear beyond doubt that substantial funds can be made available within Iraq to support IAC. KAC welcomes and will support a new independent Iraqi Airways. However, IAC must recognise its debts and clear the decks before embarking on the road to a new future. If not does not, the past will haunt it."

**-Ends-**

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**Notes to editors:**

1. Howard Kennedy is a London-based law firm with 78 partners. The firm offers national and international clients a broad range of legal services including aviation, banking, company and commercial, employment, licensing, litigation, media and entertainment, private client, project and trade finance, property, property finance and tax. The firm combines the benefits of size and expertise with a high degree of personal care and attention.

2. This press release is intended for general information only. It does not attempt to deal exhaustively with the topic featured or to give legal advice.