



Neutral Citation Number: [2020] EWHC 710 (Ch)

Case No: IL-2019-000132

IN THE BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
HIGH COURT OF JUSTICE
INTELLECTUAL PROPERTY LIST

Rolls Building, Fetter Lane
London EC4A 1NL

Date: 08/04/2020

Before:

DEPUTY HIGH COURT JUDGE, CHIEF ICCJ BRIGGS

Between:

- (1) **RODNEY SLATER**
(2) **VERNON NOWELL**
(3) **NEIL INNES**
(4) **ROGER SPEAR**
(5) **THE PERSONAL REPRESENTATIVES OF
MARTIN ASH (DECEASED)**
(6) **LARRY SMITH**
(7) **MICHAEL LIVESLEY**
(8) **RICHARD ALLEN**

Applicants

- and -

ANGLO ATLANTIC MEDIA LIMITED

Respondent

DAVID IVISON (instructed by **TRAINER SHEPHERD MELIN PHILLIPS HAYNES &
COLLINS LONG**) for the **Applicants**
ROBERT CARRUTHERS (acting as a director of and representative of **ANGLO
ATLANTIC MEDIA LIMITED**) for the **Respondent**

Hearing dates: 25 February 2020

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

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CHIEF INSOLVENCY AND COMPANIES COURT JUDGE BRIGGS

Deputy High Court Judge, Chief ICC Judge Briggs

Introduction

1. The Bonzo Dog Doo-Dah Band (the “Band”) was formed in or around September 1962. There is a dispute about whether the Band had a different name on formation and later changed it, but that dispute is not relevant for the purpose of the application before the court. Although the band members have changed over the years, the first to sixth applicants remained (Mr Innes died in December 2019). Since 1962 members of the Band have either died, left the Band of their own volition, for example Mr Kerr left in 1967 and Mr Nowell left in 1968, or played with the Band intermittently.
2. It was in 1967 that the Band secured a recording contract and several albums were released with commercial success. The activities of the Band reduced over time but in 2005 Mr Carruthers, a promotor and manager, conceived and organised an anniversary concert. Other concerts followed, merchandise was sold, and an anthology made in 2016. There is evidence that Mr Kerr became involved in the Band in period 2005 to 2016.
3. In October 2015 the Respondent filed a trade mark. The mark was accepted without objection by the Intellectual Property Office (“IPO”) and entered on the register on 8 January 2016. In October 2017 some of the Applicants made an application (subsequently amended) to the IPO seeking a declaration of invalidity pursuant to section 47(3) of the Trade Mark Act 1994 (“TMA”). They sought cancellation of the mark on the grounds that it had been registered contrary to section 5(4)(a) as neither Mr Carruthers nor his assignor, the Respondent, held any goodwill and pursuant to section 3(6) as it was registered in bad faith.
4. After the invalidity application was made the Respondent issued two claim forms in the Queen’s Bench Division. The first claim form was issued on 4 March 2019 and was originally given claim number QB-2019-000745. It was accompanied by particulars of claim that ran to 36 paragraphs (the “March 2019 POC”). The second claim form was issued on 2 April 2019 and again accompanied by particulars of claim, and was originally given claim number QB-2019-001194. These particulars run to 84 paragraphs (the “April 2019 POC”). No defence was filed due to the ongoing challenge in the IPO. On 1 May 2019 the Applicants issued an application to strike-out the claims on the basis that neither the March 2019 POC or the April 2019 POC provide reasonable grounds for bringing a claim or in any event they constitute an abuse of process. The application included summary judgment as an alternative, but this was not pursued at the hearing. The application to strike out was transferred to the Intellectual Property List by order of Mr Justice Freedman on 31 October 2019.
5. On 30 October 2019 the Registrar, the Comptroller-General of Patents, Designs and Trade Marks ruled that the mark had been registered in bad faith and invalidly registered on grounds provided in section 5(4)(a) TMA.
6. This judgment is concerned with the strike out application.

The evidence

7. Mr Carruthers' first witness statement is 74 pages and contains 393 paragraphs. The overall impression one gets from the witness statements is that Mr Carruthers is on a mission to defeat the Band and raises every point he can think of, regardless of relevance, to achieve his aim. Even though he seeks to widen each inquiry he fails to engage adequately with the substance of the strike out application. And he objects to the March 2019 POC being categorised as an abuse of process [paragraph 121]. He states [129] "In my opinion it is obvious to anyone the IPO's ability to determine the issues currently before it have not been compromised in anyway". These represent examples of his failure, or the failure of the Respondent company, to engage with the application.
8. The first witness statement covers ground from the failure to file a defence to the actions brought by the Respondent, procedural matters, letters received from solicitors acting for the Applicants, assertions of "racist and sociopathic tendencies" somehow supported in part by a statement that Mr Carruthers is a father of mixed race children, to funding the strike out application. Perhaps typical of his evidence is his response to the last of these where he concludes: "In my opinion the fact that the Defendant/Applicant's legal fees are paid by crowd funding means that the Defendants/Applicants believe they have a free roll of the dice and can carry on regardless as Mr Shepherd has been paid by the crowd funding monies and they are therefore not exposed to their own legal costs." He does not shy away from giving the court the benefit of his opinion. Another phrase Mr Carruthers is fond of is "I believe it is unconscionable that...". A few examples are "I believe it is unconscionable that the Claimant/respondent should be required to defend a Strike out Application by anonymous Applicants"; "It is unconscionable for the Defendants/Applicants to claim 17 years later that the Claimant/Respondent was actually entering into an undisclosed licence agreement"; "it seems to me unconscionable that Mr Shepherd to file and serve what amounts to his own second hand hearsay evidence setting out his version of events in the Court"; "It seems to me unconscionable for the Defendants two years later to instruct Mr Shepherd to claim that they should no longer be bound by the acts of forbearance in respect of an undertaking which they have observed for the last 2 years" and "It is Anglo Atlantic Media Ltd's case that it is unconscionable for the Defendants to claim that the entire business of the Partnership". Mr Carruthers' position appears to originate from his position as agent of the Band [59] "I have solely and exclusively managed all official concerts, new sound recordings, new concert films, DVD releases, merchandising, book publishing in the period 2006 to 2019."
9. In common with all the evidence of Mr Carruthers, he provides his inadmissible opinion on a number of different issues so that [96-99] "in my opinion the Defendants simply have no defence..."; and "the IPO is not concerned with the primary issues" of the March 2019 POC or April 2019 POC.
10. The second witness statement of Mr Carruthers is shorter, running to 168 paragraphs, but it does not improve upon the first. The statement returns to the theme of litigation funding, how the funds raised are used; backdated statements, assertions that it is an abuse of process for the Applicant to seek costs in the IPO and to the issue of partnership. It would unnecessarily add to the length of this judgment to repeat each issue raised in the witness statement. It is worth noting that Mr Carruthers is not slow to claim fraud. He not only mentions fraud in his statements but asserts forged documents in the skeleton argument provided to the court. One example is sufficient:

“Clearly Mr Morris of the IPO as a public servant has a duty to uphold the law of the land. Mr Morris is therefore wrong in law in his interim decision to rely upon contracts which he himself acknowledges are forged, and not to pursue the disclosure he ordered even though he knew this required ‘in the interests of fairness’”. Mr Carruthers asserts [104] “to base an interim decision on forged documents is a perverse action. As a public servant Mr Morris is aware of his duty to report the matter to the Crown prosecution”. This is an extraordinary position to adopt as there had been no finding by Mr Morris of forgery. In fact, Mr Morris found that even though there had been no explanation as to why the “full agreements” had not been disclosed” he gave weight to the evidence because it was consistent with [70] “evidence given elsewhere”.

11. The third witness statement of Mr Carruthers is far shorter. He speaks of a “management partnership” between himself and Mr Innes dating back to 2014. Mr Innes died on 29 December 2019. The Applicants’ solicitors, Trainer Shepherd Philips Melin Hayes & Collins Long, wrote to Mr Carruthers informing him that the estate had instructed them to continue with this application. Mr Carruthers feels very strongly that the Last Will of Mr Innes should be disclosed for the purpose of making a finding regarding the partnership. The witness statement fails to explain why disclosure had any relevance to the strike out application. The matter was not argued at the hearing. If it was argued the Respondent would have had to persuade the court that it was (i) relevant to the issues to be decided by the court (not the IPO); (ii) disclosure was important or at least relevant to the case (iii) that it would be proportionate to adjourn the hearing for the purpose of disclosure and (iv) disclosure would promote fairness and expedition in respect of the strike out application. The third witness statement fails to persuade the court on any one of these grounds.

The Decision of the Registrar

12. The Registrar observed [56-57] that Mr Carruthers introduced matters that were not germane to the issues to be decided and focused “very much on the formation of the band in the 1960s and, also, the existence of the claimed partnership. He also suggested that documents had been forged”. In order to reach a decision on the invalidity and cancellation claims the Registrar made findings in respect of the formation of the Band and the role played by Mr Carruthers and the Respondent. He made findings about the existence of a partnership at will; the goodwill associated with the name of the Band and its attachment to the Band. In his decision he recorded:

“He wanted to get to the bottom of things. Mr Allen submitted that the requested was misconceived, that the evidence was clear, that what happened in the 1960s was not pertinent because his case on the conduct...”

13. In respect of the Band’s early days, its members and the name, the Registrar concluded:
 - i) The Band was formed in September 1962 and the name given to it was The Bonzo Dog Dada Band;
 - ii) In 1963 one of the founding members, Mr Stanstell, suggested changing the name to Bonzo Dog Doo-Dah Band. The Registrar viewed the change as an evolution;

- iii) By 1965 Mr Kerr had joined the Band, only to leave it a year or so later, but generally the members remained stable until Mr Nowell left the Band in 1968;
 - iv) Mr Stanshall died in 1995;
 - v) In the period 1968 to 2005 the name was at times abbreviated to Bonzo Dog Band but the use of the words “Doo-Dah” had not been abandoned;
 - vi) The concert promoted and organised by Mr Carruthers took place in 2006 when the Band comprised the Applicants and Mr Kerr;
 - vii) In 2015 the Band and Mr Kerr played some concerts and when the mark was registered in October 2015 the Band comprised the first, second, third, fifth and sixth Applicants and Mr Kerr.
14. The Registrar noted that for invalidation to succeed the Applicants needed to demonstrate that they held the benefit of goodwill which comprised the name, reputation and connection with the business or Band.
15. The Registrar found that the “goodwill still existed in 2005... [which is] apparent from the desire of Mr Carruthers to promote an anniversary concert, and to do so with as many members of the band as possible...there would be no point in doing so if there was no attractive force to bring in custom.” He concluded:
- “In my view, the band’s residual goodwill in 2005 would have been owned by the last man standing which, on what I have taken from the evidence, would have been: Innes, Slater, Spear & Smith...This last man standing principle is why the circumstances surrounding the coining of the mark in the first place is not greatly significant. The trading activities from 2006 onwards would have re-energised that goodwill. The activities would have changed the goodwill from being residual in nature, to that of an ongoing band. Members of the public would have been going to the 2006 concerts to see the band. It is not the case, in my view, that the new activities created some form of new goodwill divisible from that associated with the band...the goodwill generated though (sic) the activities of the band under its name naturally flows to the band...the consequences of this is that any goodwill associated with the band and its name in the post-2005 period flows to the band. Thus, such use can be relied upon by the band and not [Anglo Atlantic Media Limited].”
16. The Registrar found that the Band’s reputation in the music business and world at large had given rise to goodwill in the first place and the goodwill had a distinguishing mark (the name). He said “whilst the registered mark is stylised, it prominently features the name of the band. The mark is registered for goods and services which directly related to the activities of a band. It is inevitable that members of the public would believe that the goods are (sic) services are those of the band.” He accordingly found that there was a material misrepresentation, and found that the Band would have suffered or were likely to suffer damage as a result of the erroneous belief engendered by the misrepresentation. The three elements of passing off had been satisfied which led the Registrar to find that the invalidation claim succeeded. He then turned to the bad faith claim noting that Mr Carruthers had advanced through his representative that the motive for registration was to protect his investment and later the investment of Anglo Atlantic Media Limited. He found:

“Unless there is an agreement to the contrary (which I have found there was not), or unless the band is created by a record company (which it was not), persons or businesses who engage with a band in the way that [Anglo Atlantic Media Limited] (and before it Mr Carruthers/his companies) has, should not be registering trade marks the effect of which would be to put them in complete control of the name of the band they represent and which would have the potential effect of preventing the band from undertaking its activities it should be free to do under its own name. I fully accept that Mr Carruthers has invested time and money into the various activities mentioned...However, honest people in the trade observing acceptable standards of behaviour would do so by relying on the remuneration from such activities to recoup their investment...The use of the trade mark system is not the correct mechanism for the protection they seek...”

17. The reasoning of the Registrar led to a conclusion that the mark had been registered in bad faith. His remarks concerning promoters and agents of a band seeking to register trade marks in circumstances such as this is likely to be a reference to the principle that an agent owes fiduciary duties to his principal. In *Bristol & West Building Society v Mothew* [1998] Ch 1, 18 Lord Justice Millett (as he was) explained:

“A fiduciary is someone who has undertaken to act for or on behalf of another in a particular matter in circumstances which give rise to a relationship of trust and confidence. The distinguishing obligation of a fiduciary is the obligation of loyalty. The principal is entitled to the single-minded loyalty of his fiduciary. This core liability has several facets. A fiduciary must act in good faith; he must not make a profit out of his trust; he must not place himself in a position where his duty and his interest may conflict; he may not act for his own benefit or the benefit of a third person without the informed consent of his principal.”

18. On the findings of the Registrar there was no evidence of informed consent and a clear conflict of interest between agent and principal.
19. I understand the decision of the Registrar to have been that the goodwill protected by the mark did not vest in Mr Carruthers as agent of the Band, but remained with the musicians, and it followed that any purported assignment to Anglo Atlantic Media Limited (in which Mr Carruthers held 50% of the shares) failed as Mr Carruthers had nothing to transfer.
20. I turn to the March 2019 POC and April 2019 POC.

The Claims in brief

21. The March 2019 POC sets out 4 causes of action: Conspiracy to injure (the “First Claim”), Malicious falsehood (the “Second Claim”), statutory misrepresentation (the “Third Claim”) and trademark infringement (the “Fourth Claim”). The March 2019 POC contains the following detail about the First Claim:

“The 1st to 6th Defendants, falsely claim, on the night of Tuesday 25th September 1962, to have formed, as six equal members, the Bonzo Dog Doo-Dah Band (A firm)-a general partnership governed by the provisions of the Partnership Act 1890 which since Tuesday 25th September 1962 owns the Trademark “The Bonzo Dog Doo Dah Band” as partnership property.”

22. In respect of the Second Claim, malicious falsehood is said to arise because “The Defendants have conspired to injure the Claimant by a concerted programme of publishing malicious falsehoods designed to injure the Claimant and its officers in its business.”
23. The particulars of the Third Claim include: “The Defendants have fraudulently concealed from the Claimant the existence of a clandestine agreement to unlawfully bring about the invalidation of the Claimant’s registered trademark”.
24. Lastly in respect of the Fourth Claim it is said that there has been an unlawful interference with business as a result of a Trademark infringement as “The Defendants have conspired to infringe the Claimant’s registered trademark.” This presupposes that the Respondent has a trademark to infringe.

The Particulars

25. The March 2019 POC state, at paragraph 5: “It is the Claimant’s case that Trademark 0003129760 (The Bonzo Dog Doo-Dah Band) was, in October 2015, lawfully registered by the Claimant in classes 9 and 41 in accordance with the statutory provisions of s. 40 of the Trademarks Act 1994.” And at paragraph 10 “The goodwill generated by Bonzo Dog Doo-Dah Band concerts and recordings during the period 2006 to 2019 under the sole management of Robert Carruthers following an investment of £350,000 is encapsulated in the Claimant’s registered Trademark UK 0003129760.”
26. The particulars of the First Claim focus on the application by the Band for invalidation and cancellation of the mark to the IPO. It is said that averments made by the Applicants whether at CMCs, in witness statements or in correspondence were unlawful: “the IPO Application CA00501828 constitutes a Conspiracy to cause financial loss to the Claimant by unlawful means.”. An example of an averment is: “the 1st to 6th Defendants have by copy of TM26(1) and supporting correspondence falsely, and unlawfully averred to the IPO and various third parties as to the existence of, and have held themselves out to be joint founder members of, a 56 year old entity, the Bonzo Dog Doo-Dah Band a general partnership at will...”. These particulars are concerned with the creation of the Band name, existence of a partnership, and the goodwill. The Respondent claims that losses have flowed from the mere fact of making the applications for invalidation and cancellation. However, the loss and damage claimed is the legal costs incurred by the Respondent.
27. It is not contested that for the First Claim to succeed it has to be shown that two or more persons combine and take action which is unlawful in itself with the intention of causing damage to a third party who does incur the intended damage.
28. In particularising the Second Claim the Respondent directly attacks things said at or in the course of the IPO proceedings. It is said that the Band made a libellous statement by stating “that [Anglo Atlantic Media Limited] has in bad faith registered Figurative Trademark UK0003129760 with the primary purpose of using it as a vehicle to extract/extort fees by coercing the purported members of the Bonzo Dog Doo-Dah Band (A Firm) to purchase licences...”. The loss and damage said to arise from this statement is referable to a loss of professional reputation.

29. There was no argument about the legal framework applicable to the Second Claim. There was no argument that *Gatley on Libel and Slander* at 21.1 correctly sets out the element for the tort as follows: “(1) the defendant published to third parties words which are false; (2) that they refer to the claimant or his property or his business; (3) that they were published maliciously; and (4) that special damage has followed as a direct and natural result of their publication.”
30. The Third Claim is particularised on the basis that there was a failure by the Band to inform the Respondent that the Band was also a firm: misrepresentation by silence. The Respondent does not contest the requirements for a statutory misrepresentation, as set out in the Misrepresentation Act 1967 namely, one party to a contract must have made a false statement of fact; the representee must have been induced to enter into the contract at least partly by the false statement of fact; and if damages are sought as a remedy, those damage must have flowed from the inducement to enter the contract.
31. In argument it was said on behalf of the Band that in most cases mere silence will not amount to a misrepresentation: there is no general duty to inform a potential party to a contract of facts even if they might significantly influence that party’s decision-making. Mr Carruthers did not contest the proposition. In any event Chitty on Contracts explains at 7-018:

“The general rule is that mere non-disclosure does not constitute misrepresentation for there is, in general, no duty on the parties to a contract to disclose material facts to each other, however dishonest such non-disclosure may be in particular circumstances. So, for example, in *Percival v Wright*, a company director who had inside information about certain facts likely to enhance the value of the company’s shares was held to be under no duty to disclose this fact to a shareholder from whom he bought some shares. For the same reason it is not possible to set up an estoppel on the basis of an omission to disclose unless a duty to disclose can be established in the particular circumstances of the case. Tacit acquiescence in another’s self-deception does not itself amount to a misrepresentation, provided that it has not previously been caused by a positive misrepresentation. But there are exceptions to the general rule that there is no duty to disclose. First, there are many statutory exceptions. Secondly, there are exceptions at common law where in particular types of contract there has been held to be a duty for disclosure (often categorised as contracts *uberrimae fidei*). These include cases where there is a fiduciary relationship between the parties and where the relationship between the parties is one of trust and confidence. There may also be a duty to disclose where failure to disclose some fact distorts a positive representation. It is also possible for a person to be guilty of misrepresentation by conduct. ...”

32. The Fourth Claim is tied to the Second Claim. Mr Carruthers on behalf of the Respondent did not seek to argue any point of law. I take it that the Respondent accepts the following statement in *Clerk & Lindsell* at 24-72:

“... In a commercial context it had been said that the tort of unlawful interference was based on the proposition ‘a man who is carrying on a lawful trade or calling has a right to be protected from any unlawful interference with it’; but this formulation is too wide. As in the other economic torts damage is essential to the cause of action and must be shown to have been, or be about to be, caused by the unlawful

interference. ‘The essence of the tort is deliberate interference with the [claimant’s] interests by unlawful means’ and the intention to injure must be a “contributing cause” of the claimant’s loss....”

33. The requirement for intention to harm is discussed at 24-73:

“In *OBG Ltd v Allan* the House of Lords confirmed that in this tort ‘the defendant must have intended to inflict the harm of which complaint is made’. ‘Because damage to economic expectations is sufficient to found a claim, there need not have been any intention to cause a breach of contract or interfere with contractual rights.’ So where A perpetrates deceit upon B intending B to act in a way which will cause damage to C, he is liable to C whether or not damage is also suffered by B since the unlawful means were in their nature actionable even if B’s cause of action was not complete because he suffered no damage. But where a defendant union brought its members out on strike in breach of employment contracts in a dispute with the employer who was subsequently unable to fulfil functions under statute to the damage of the claimant abattoir owners, they could not sue the union because the damage, although an unavoidable by-product of the strike, was not the consequence of any intention to injure them. But while the ‘purpose or intention of inflicting injury on the [claimant] is an essential element of the tort, it is not necessary to prove that it was the defendant’s predominant purpose; it is sufficient that the unlawful act was ‘in some sense directed against ... or intended to harm the [claimant]....”

34. The particulars again relate to statements said in the course of the IPO proceedings but in addition it is alleged that the seventh applicant approached AGMP (a concert promotor) and informed them that Anglo Atlantic Media Limited did not have the exclusive right to manage and produce live concerts. This relates to 5 concerts having been arranged with promotors other than the Respondent and the concerts later cancelled. This constitutes, according to the Respondent, an infringement of the mark giving rise to the loss of an opportunity to generate profits from the concerts.
35. The prayer to the March 2019 POC seeks an injunction restraining the Applicant from repeating statements that the Respondent registered the mark in bad faith and enjoining the Applicants from infringing the mark.
36. The April 2019 POC pleads conspiracy to injure by unlawful means and malicious falsehood. The particulars repeat the partnership issue, and claim that by a letter written by solicitors acting for the Applicants dated 28 March 2019 written in the IPO proceedings, a malicious falsehood was committed. The malicious nature of the purported falsehood is a question asked by solicitors acting for the Band concerning Mr Carruthers (not the Respondent).
37. Mr Carruthers had entered a voluntary arrangement with creditors in 2010 and the statement of affairs had come to the attention of the Applicants. It was noted by the solicitors that there was no mention of the right to the goodwill or any trademark concerning the Band in the schedule of assets and liabilities. This led to the letter asking why, if Mr Carruthers did own the goodwill, he did not disclose it to his creditors. It was pointed out that a failure to disclose is treated as a false representation and a criminal offence under section 262 of the Insolvency Act 1986. The matter was serious. It is accepted by Mr Carruthers in submission that there was

and could have been no falsehood in stating in the letter the content of, and consequences of, a breach of section 262A of the Insolvency Act 1986. I shall refer to this as the “IVA matter”.

Strike out provisions and pleadings

38. CPR r 3.4(2) provides that the Court may strike out a statement of case (or part of a statement of case) if it appears to the Court that (a) the statement of case discloses no reasonable grounds for bringing or defending the claim, (b) the statement of case is an abuse of the Court's process or otherwise likely to obstruct the just disposal of proceedings, or (c) there has been a failure to comply with a rule, practice direction or order. The provision should be considered by reference to the overriding duty under CPR 1.
39. It is a basic principle of pleading a statement of case that it should be concise and only set out matters relevant to support the cause of action. In *Tchenguiz v Grant Thornton* [2015] EWHC 405 (Comm) Leggatt J (as he then was) said at [1, 3]:
- “Statements of case must be concise. They must plead only material facts, meaning those necessary for the purpose of formulating a cause of action or defence, and not background facts or evidence. Still less should they contain arguments, reasons or rhetoric. These basic rules were developed long ago and have stood the test of time because they serve the vital purpose of identifying the matters which each party will need to prove by evidence at trial. ... prolixity adds substantial unnecessary costs to litigation.”
40. In *Charter UK Ltd v Nationwide Building Society* [2009] EWHC 1002 (TCC) Akenhead J considered a number of authorities relating to the circumstances in which it is appropriate to strike out parts of pleadings and summarised the relevant principles thus at [16]:
- “1. Claim forms and particulars of claim must identify the nature of the claim and the remedies sought;
 2. Particulars of claim must contain the basic facts on which the claimant relies to support its claim or claims;
 3. The remedies sought must relate to the claim or claims made and the basic facts pleaded by the claimant;
 4. Generally at least there should be no half measures taken in the claim or in particulars of claim in terms of pleading matter which is immaterial to the relief or remedies sought;
 5. It would be wrong, at least generally, in principle, to plead a matter which does not support or relate to any of the remedies sought;
 6. It would be wrong in principle to plead a matter which is immaterial to the claim or claims made or relief sought for the purpose of securing disclosure of documentation relating to such immaterial matter;

7. Whilst infelicities in pleadings will not usually justify striking out, where no cause of action is pleaded then the court must give serious consideration to striking out that part of the pleading, particularly where its presence complicates and confuses the fair conduct of the proceedings;

8. Either through the CPR or through its inherent jurisdiction the court has wide powers to strike out parts of a pleading if it contains immaterial matter, particularly in circumstances when its continued presence will confuse the resolution of the underlying and properly pleaded claims;

9. A party absent agreement has no automatic right to amend its Particulars of Claim.”

41. Akenhead J said [23] that:

“... it is wrong in principle for parties to plead half a case in the hope or anticipation that that will create sufficient of an issue to give rise to disclosure obligations; it is important that clarity is reached as soon as possible on pleadings as to what the real issues are currently.”

Immunity from suit- legal principles.

42. The Court of Appeal considered the scope of the immunity from suit rule in the context of complaints made to an employment tribunal about unlawful discriminatory conduct in the course of an internal police disciplinary hearing in *Heath v Commissioner of Police of the Metropolis* [2004] EWCA Civ 943. The Supreme Court overturned part of the decision made by the Court of Appeal but did not interfere with the judgment of Auld LJ where he explained the width of the absolute immunity rule. Immunity is a centuries old common law rule and Auld LJ observed [17] that the rule is not limited to any particular cause of action:

“That is because the rule is there, not to protect the person whose conduct in court might prompt such a claim, but to protect the integrity of the judicial process and hence the public interest. Given that rationale for the rule, there can be no logical basis for differentiating between different types of claim in its application. The width of its application in this respect has been judicially stated many times, most notably in: *Munster v Lamb* (1883) 11 QBD, 588, CA per Fry LJ at 607–608; *Marrinan v Vibart* [1963] 1 QB 502 , per Sellers LJ at 535 and per Diplock LJ at 538–9.”

43. And [18] explained:

“The rule has recently been re-stated and emphasised in two cases in the House of Lords. In each the issue was different from that here. In the first, *Darker v Chief Constable of the West Midlands* [2001] 1 AC 435 , it was whether the immunity should be extended to things said or done by a police officer in the investigative process as distinct from what he said or did in court. Lord Hope of Craighead, at 445H–446B, indicated, obiter, the width of the rule:

“... when a police officer comes to court to give evidence he has the benefit of an absolute immunity. This immunity, which is to be regarded as necessary in the interests of the administration of justice and is granted to him as a matter of public policy, is shared by all witnesses in regard to the evidence which they give when they

are in the witness box. It extends to anything said or done by them in the ordinary course of any proceeding in a court of justice. The same immunity is given to the parties, their advocates, jurors and the judge. They are all immune from any action that may be brought against them on the ground that things said or done by them in the ordinary course of the proceedings were said or done falsely and maliciously and without reasonable cause. The immunity extends also to claims made against witnesses for things said or done by them in the ordinary course of such proceedings on the ground of negligence.”

44. In *Lincoln v Daniels* [1961] 3 WLR 866 the Court of Appeal considered an action where a barrister was awarded damages for libels contained in two communications sent by the defendant to the secretary of the Bar Council alleging professional misconduct by the plaintiff. On appeal, the defendant's principal contention was that the communications contained in two documents constituted a step in an inquiry before the Inn of Court and were, accordingly, entitled to the protection of absolute privilege which should attach to such proceedings. The Court of Appeal found that immunity from suit did apply as the inquiry was a form of judicial process recognised by law to which, in the public interest, absolute privilege attached. Devlin LJ [p878] explained that there are three categories of privilege:

“The first category covers all matters which are done *coram iudice*. This extends to...contents of documents put in evidence. The second covers everything that is done from the inception of the proceedings onwards and extends to all pleadings and other documents brought into existence for the purpose of the proceedings and starting with the writ or other document which institutes the proceedings. The third category is the most difficult of the three to define...[it attaches] to the precognition or proof of that evidence taken by a solicitor. It is immaterial whether the proof is or is not taken in the course of proceedings.”

45. It has not been argued that immunity from suit does not apply in this case and before the High Court. Nor has it been argued that the second category is not entirely relevant as the averments complained of by the Respondent relate to documents produced “from the inception of the proceedings [including]...pleadings and other documents brought into existence for the purpose of the proceedings ...”

Issue estoppel, cause of action estoppel and abuse of process

46. When the matter came before the Registrar for a case management conference, Mr Carruthers brought his attention to the issue of the High Court proceedings. The Registrar explains:

“Mr Carruthers mentioned on a number of occasions that some form of claim before the High Court had been drafted and was to be made against the parties to this dispute, other, and also Mr Allen. I highlighted the capacity of the tribunal to transfer its cancellation proceedings to the High Court, if the issues overlapped; obviously, this can only be considered if claims are made, and will depend on their nature. In the list of directions given below, Party B is directed to inform the tribunal if the High Court proceedings are indeed launched.”

47. He said he would consider a transfer of the cancellation proceedings (the invalidation claim was not yet in play) to the High Court if it became apparent that the High Court

proceedings were to be defended. At the second case management conference on 2 July 2019 the Registrar decided not to transfer as a substantive High Court hearing had not been listed and a strike out application had been issued. He concluded that “there was no benefit in transferring the cancellation proceedings” to the High Court. It is apparent from the Registrar’s case management decision that the parties had in mind the concurrent jurisdiction.

48. In support of the proposition that a decision made by the Registrar gives rise to *res judicata* I was referred to *Evans v Focal Point Fires plc* [2009] EWHC 2784, [2011] IP&T 120. This was a first instance decision of Mr Justice Peter Smith. A hearing officer acting for the Registrar issued a decision declaring a mark invalid. There was no appeal. The Judge found that the Registrar did not simply have a managerial and administrative role: his decision was substantive in nature. He found that the decision was based on a finding of passing off, and as a consequence cause of action estoppel arose. The Judge thought that issue estoppel and abuse of process could apply but distinguished the decision under consideration from opposition proceedings.
49. The reason for the distinction drawn by Peter Smith J between opposition proceedings and an action of invalidation stems from two earlier decision. First, *Hormel Foods Corporation v Antilles Landscape Investments NV* [2005] EWHC 13 (Ch), [2005] R.P.C. 28 (SPAMBUSTER) where Richard Arnold QC sitting as a Deputy High Court Judge found that decisions of a Registrar are capable of founding a plea of *res judicata* since a decision and the Court of Appeal decision in *Special Effects v L’Oréal SA* [2007] R.P.C. 15 where the same grounds and facts were raised by way of a counterclaim for invalidity in High Court infringement proceedings.
50. In *Evans v Focal Point Fires plc* the court was asked to give summary judgment on the basis of a decision made by the IPO as it was final and conclusive. The claimants contended that they had traded as a partnership by reference to the name “FIRECRAFT” in relation to the manufacture, sale and installation of stone fireplaces. The defendant company manufactured gas and electric fires and registered a UK trademark “FIRECRAFT” in relation to certain of its products. Similarly to this case, the claimants challenged the registration at the trademark registry on the basis that they had earlier established goodwill in the word “FIRECRAFT”. The hearing officer determined that the defendant’s mark should be declared invalid. The officer found that the claimants had satisfied the three requirements for a successful passing off claim, namely: that the name “FIRECRAFT” was distinctive of the claimants’ business to a significant section of the trade and public; that there had been a misrepresentation by the defendant likely to confuse the public regarding the claimants and defendant’s goods; and that the claimants had suffered or were likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation. The defendant did not challenge the decision, however, it did not stop trading under the name “FIRECRAFT”. The claimants brought a passing off action in the High Court seeking a declaration that the defendant had passed its goods or business off as being the claimants’ goods or business by the use of the word “FIRECRAFT”. The claimants applied for summary judgment submitting that the defendant had no reasonable prospect of defending the claim on the basis of: (i) cause of action estoppel; (ii) issue estoppel; and (iii) abuse of process. Peter Smith J considered the detail of the IPO decision and whether a party would have to “re-prove” all the 3 essential elements of the tort of passing off. He observed that

common-sense would tend towards a negative answer because that would lead to a desirable outcome where the decision, subject to an appeal, would be final, provide certainty, save costs, prevent a "second bite of the cherry" thereby obviating the difficulties caused by having identical issues determined in different tribunals, and there would be no discernible prejudice to the parties. He tested his initial reaction by asking what the position would be if the passing off claim had started and been lost in the High Court. Would the losing party be entitled to re-open the invalidity claim before the registrar? He commented [48]:

"It would be bizarre if an unchallenged decision in the High Court could be re-litigated between the same parties on the same point in the Registry. If she is correct the claimants could have brought invalidity proceedings in the High Court lost them and then started fresh the invalidity proceedings in the Registry. They could equally had they been unsuccessful on her analysis in front of the hearing officer [and] have brought proceedings for invalidity in the High Court."

51. Having regard to the Court of Appeal decision in *Special Effects* the Judge found the IPO registry was a court of competent jurisdiction in relation to any of the issues concerning the passing off cause of action, and made the following observations:

"87. It is clear from those paragraphs that the Court of Appeal declined to offer any guidance in respect of the *Hormel* decision. It therefore remains only challenged by virtue of a consent appeal. At best it seems to me the conclusion I draw from para.84 is that the Court of Appeal accepted that a forceful argument can be made as to abuse of process (and possibly issue estoppel) in relation to successive proceedings involving a declaration to invalidity. It is quite clear that opposition proceedings were held by the Court of Appeal generally not to create an issue estoppel or abuse of process situation. They appear to be reluctant to provide guidance in respect of the *Hormel* decision (as the last sentence of para.84 shows).

88. However the issue is plainly before me for decision. I find Mr Arnold Q.C.'s judgment compelling as regards invalidity proceedings. The *Special Effects* case has made the position clear as regards opposition proceedings but that does not arise before me.

89. I see nothing in the Court of Appeal judgment which says that Mr Arnold Q.C.'s judgment in respect of invalidity proceedings is wrong. To the contrary in so far as it is possible to define what the judgment means it suggests at least a modicum of support for his decision."

52. The Court of Appeal in *Special Effects* addressed three different procedural bars to bringing an action: cause of action estoppel, issue estoppel and abuse of process. In respect of the first, there was no cause of action estoppel because the opposition proceedings could not be described as a cause of action [49]: "that to describe the applicant for registration as having a cause of action for registration would be an inappropriate and artificial use of language. The same is true of the opponent, who does not, it seems to us, have a cause of action at that stage for preventing the registration applied for. We do not consider that cause of action estoppel can apply in the present circumstances".

53. I agree with Peter Smith J that the Court of Appeal expressly distinguished SPAMBUSTER as it was found [50] “that the first proceedings were for revocation, and so were the second proceedings”.
54. *Hormel, Special Effects* and *Evans* cited *Thoday v Thoday* [1964] 1 All ER 341 [1964] P 181, as providing a helpful guide to the res judicata principle, and in particular Diplock LJ at 352 of the All England Reports:
- “If in litigation upon one such cause of action any of such separate issues as to whether a particular condition has been fulfilled is determined by a court of competent jurisdiction, either upon evidence or upon admission by a party to the litigation, neither party can, in subsequent litigation between one another upon any cause of action which depends upon the fulfilment of the identical condition, assert that the condition was fulfilled if the court has in the first litigation determined that it was not, or deny that it was fulfilled if the court in the first litigation determined that it was.”
55. Following *Arnold v National Westminster Bank (No 1)* [1991] 2 AC 93 res judicata “requires a final decision by a competent judicial tribunal” [54]. This led the court to a consideration of Community Trade Mark Patent cases and the conclusion that [71]: “the co-existence of the provisions for opposition and for a declaration of invalidity has the result that opposition proceedings are inherently not final”. The fact that invalidity proceedings could be taken rendered (in part at least) the opposition proceedings “inherently not final”. This is explicitly drawn out in the subsequent paragraph [72] “res judicata does not apply to give finality to that determination because the provisions as to a declaration of invalidity show an intention to exclude that principle.”
56. Abuse of process is dealt with in paragraphs 72-78 of the judgment. When reading paragraphs 77 and 78 of *Special Effects* together the Court of Appeal found that as the legislation does not preclude the same party from seeking a declaration of invalidity, having failed in an opposition proceedings, it would be unusual to find that that party is abusing the process of the court. In the unusual circumstances where an opposition proceeding is contested in a manner similar to a proceeding in the High Court and a decision made, the circumstances may amount to an abuse.
57. In *Illumina, Inc v Premaita Health Plc* [2018] EWHC 615 Mr Justice Henry Carr decided that it is well-established that if a decision of a court of competent authority had been made, issue estoppel may arise even if that decision was subject to an appeal. He said [73] “the fact that a first instance judgment is under appeal does not mean that the judgment is not final in the sense required to set up an issue estoppel. This is [a] very well established principle...”.
58. In this matter although different causes of action are pleaded, such as malicious falsehood, the particulars relating to goodwill, partnership, formation of the Band, passing-off (validity of the mark), and bad faith have been decided by the Registrar. Further there is no difference in the circumstances under consideration in the High Court and in the IPO, and no difference in the substance of the evidence deployed.
59. Although not cited in argument before me, I should mention, for an up to date formulation of res judicata decided after *Hormel, Special Effects, Evans* and *Thoday v*

Thoday the Supreme Court decision in *Virgin Atlantic Airways Ltd v Zodiac Seats UK Ltd* [2013] 4 All ER 715. The Supreme Court considered the boundaries of *res judicata* in the context of a patent infringement case. Lord Sumption gave the lead judgment explaining that [17]: “*Res judicata* is a portmanteau term which is used to describe a number of different legal principles with different juridical origins” and whether the circumstances give rise to issue estoppel or cause of action estoppel the court is concerned with preventing abuse of process. Having reviewed the cases he concluded [22] “except in special circumstances where this would cause injustice, issue estoppel bars the raising in subsequent proceedings of points which (i) were not raised in the earlier proceedings or (ii) were raised but unsuccessfully. If the relevant point was not raised, the bar will usually be absolute if it could with reasonable diligence and should in all the circumstances have been raised”.

60. Like Peter Smith J I find that in making his decision the Registrar was not acting in an administrative role. He determined a substantial dispute about the validity of the registration between the same parties and took account of oral and written submissions when doing so. The dispute had a number of case management conferences prior to the final hearing where procedural matters were determined. The Registrar determined the three elements of the cause of action for passing off. In addition, the Registrar reached a determination about the goodwill, the partnership at will and bad faith. He found that the goodwill was owned by the Band and it passed to the “last man standing”. He did not find that it was owned by Anglo Atlantic Media Limited.
61. In my judgment the decision of the Registrar was a judgment of a court of competent jurisdiction that followed a hearing in an open forum where procedural rules applied. No new facts have been advanced.
62. I now turn to the claims.

The First Claim

63. The particulars of claim concerning unlawful means is peppered with reference to averments in the IPO. Paragraphs 12, 13, 14, 15, 16, and 17 all relate to things done in the invalidation and cancellation proceedings including the content of documents and evidence advanced. The claim offends the absolute privilege principle and consequently cannot succeed. The claim of unlawful means seeks to make a collateral attack on a decision made by a court of competent jurisdiction with the result that it amounts to an abuse of process. The cause of action is not complete. The loss and damage said to arise is the costs incurred in connection with the Respondent’s choice to resist the challenge to the registration of the mark. Legal costs are not loss and damage for the purpose of the cause of action. Legal costs incurred in proceedings are governed by the rules of court. There is a failure to plead in any meaningful way an intention by two or more people to injure.
64. Paragraphs 19 to 21 of the March 2019 POC have no relevance and are unsustainable, it being wrong in principle, to plead a matter which does not support or relate to any of the remedies sought.

The Second Claim

65. The averment that the Applicants published “the libellous statement that the Claimant has in bad faith registered” the mark is to be struck out for similar reasons as those stated above.
66. The publication complained of is contained in the statements of case (or documents equivalent to statements of case) in the IPO. The particulars are wholly inadequate: “the Claimant cannot publish full particulars” until after “disclosure and cross-examination”. The loss is said to be “damage to its professional reputation” without more. There can be no doubt that the Applicants were entitled seek cancellation of the mark and make their claim for invalidation. In those proceedings the absolute privilege rule protects them in respect of matters said, or documents submitted. It is in the public interest privilege attaches to attach to statements of case. There can be no claim due to the privilege. There is another reason why there is no real prospect of success. There is no discernible damage pleaded. In my judgment the claim amounts to a collateral attack on the decision of the Registrar giving rise to an abuse of process.
67. If I am wrong about my findings in paragraph 66 above, I find issue estoppel bars the raising of the same matters where there has been a finding by a Registrar in the IPO.
68. In any event the Registrar found the mark had been registered in bad faith.

The Third Claim

69. The claim for statutory misrepresentation claim made pursuant to section 2(1) of the Misrepresentation Act 1967 is flawed in that it fails to set out the essential ingredients necessary for the cause of action. There is a failure to particularise the representation, how such a representation induced the Respondent to enter a contract or even identify the contract. The loss said to have been caused is a sum of money said to have been paid by the Respondent between January 2015 and December 2016 to individuals including members of the Band. It is not said how the payments are connected to the failure of the purported misrepresentation or the capacity in which the Respondent paid the sums. In any event there is no argument that this case is capable of succeeding on the facts, as the purported misrepresentation is a silence. The third claim fails and is struck out.

The Fourth Claim

70. It is not possible to discern the acts that give rise to the purported trade mark infringement. In any event, there can have been no infringement of the mark when the mark was improperly registered and cancelled as found by the Registrar. The decision of the Registrar is not only that the mark registered by the Respondent is cancelled but that the application for registration by the Band succeeded. There can be no infringement of the Respondent’s trade mark when it has been found that the Respondent has no proprietary right in the trade mark, the subject of the alleged infringement. Furthermore, allied to infringement of trade marks, the Registrar has determined that the Respondent would have breached the law against passing off by using the very trade mark claimed to belong to the Respondent. The fourth claim is incapable of succeeding and is struck out.

The IVA matter

71. I have mentioned that the IVA matter relates to a letter sent by solicitors acting for the Applicants on 28 March 2019. The claim cannot succeed as if there was a cause of action it is not vested in the Respondent. The claim has no prospect of success and shall stand struck out.
72. I mention that the solicitors were entitled to ask Mr Carruthers the question posed in the letter. The letter was investigating and testing Mr Carruthers' story. If he somehow acquired the goodwill vested in the Band it should have been disclosed in his statement of affairs. The solicitors concluded that there were two possible reasons why he may not have included the goodwill as an asset. One of those reasons was simply that he did not own it in the first place. The fact that Mr Carruthers decided to assign the purported goodwill to the Respondent a few years later and then seek to protect it by registering the mark suggested to the solicitors that he thought it had value and always had value. In submissions Mr Carruthers made the point that the goodwill had provided a return for over 40 years. This did not assist his argument.
73. Mr Carruthers reaction to the investigative letter was to make the claim on the basis that there had been a conspiracy to publish malicious falsehoods by writing the letter. There were no proper grounds for bringing such a claim. The correspondence was covered by privilege; the March letter was not published; there was no falsehood in relation to the consequences of making a false representation to creditors when putting a proposal to creditors; no falsehood in asking him the questions; no recognisable damage is pleaded and there is a failure to particularise malicious intent. In any event the Registrar found that he did not own the goodwill.

Conclusion

74. The causes of action pleaded are incomplete, prolix, offend the principle of absolute privilege and many of the facts underlying the causes of action have been decided by the Registrar giving rise to issue estoppel. The witness evidence provided to defend this application is disparate, and often contains inadmissible opinion evidence, bare assertion and irrelevancies.
75. The March 2019 POC and April 2019 POC plead the four claims. The facts pleaded to support conspiracy to injure go to the crux of the decision of the Registrar that the Band carried on a business in common with a view of profit, and held the goodwill of its name. The applications for cancellation and for a declaration of invalidity do not provide grounds to found a claim of conspiracy to injure. The pleaded facts fail to give rise to a claim of malicious falsehood. There is a failure to plead properly or at all an actionable misrepresentation. The Respondent does not have a trade mark to infringe.
76. The March 2019 POC and April 2019 POC are totally without merit.
77. I invite the parties to agree an order in accordance with this judgment.