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



No. IP-2017-000199

[2018] EWHC 2859 (Ipec)

Rolls Building  
Fetter Lane  
London EC4A 1NL

Wednesday, 19 September 2018

Before:

HIS HONOUR JUDGE HACON

BETWEEN:

SHARD FINANCIAL MEDIA LIMITED

Claimant

- and -

(1) BLUE MOON GROUP LIMITED

(2) GERARD DUGDILL

Defendants

MR J. HILL (instructed by Blake Morgan LLP) appeared on behalf of the Claimant.

MS D. MCFARLAND (instructed by Stephens Scown LLP) appeared on behalf of the Defendant.

J U D G M E N T

JUDGE HACON :

- 1 This is an application by the claimant, Shard, for summary judgment. Shard is a publisher and organiser of events relating to the financial sector. The first defendant, Blue Moon, is also a publisher of magazines, I believe, in the same sector. The second defendant, Mr Dugdill, is the sole director of Blue Moon. The dispute concerns a UK trade mark, which takes the form of words "Credit Today". It is registered for magazines and newsletters, amongst other things. The trade mark is currently registered in the name of Blue Moon. Shard seeks an order for the assignment of the mark from Blue Moon to Shard and other related relief. Today Jonathan Hill appeared for Shard; Denise Mcfarland for Blue Moon and Mr Dugdill.
- 2 There is no dispute about the law regarding summary judgment, which was summarised by the Court of Appeal in *Mellor v Partridge* [2013] EWCA Civ 477, approving what had been said by Lewison J (as he then was) in *Easyair Ltd. v Opal Telecom Ltd.* [2009] EWHC 339 (Ch), in particular para.13 of that judgment. Ms Mcfarland also drew my attention to the judgment of Mr Stone, sitting as a Deputy High Court Judge, in *Montreux Capital Management UK Ltd. v Godden* [2018] EWHC 495 (Ch), in particular paras.25, 43, 49 and 50. I do not understand any of the points there made to be disputed by Mr Hill.
- 3 I should set out some of the background. In October 1998 Shard (which then traded under of name of Athene Publishing Ltd.) began publishing a magazine with a title "Credit Today". On 18 February 2008, Shard filed an application, number 2479716, for the words Credit Today. On 20 June 2009 Blue Moon opposed Shard's trade mark application. On 29 January 2010 Blue Moon itself made an application for a UK trade mark, number 2537778, also for the word mark "Credit Today". On 30 October 2010 Shard opposed Blue Moon's trade mark application. Subsequently the two sets of oppositions were consolidated before the Intellectual Property Office. At this point the parties' accounts of events differ. Shard's account of the next important events from its point of view are set out in the Particulars of Claim:
  - "14. The two sets of opposition proceedings were consolidated. In the run up to the hearing of the consolidated proceedings in 2011, negotiations took place between the First Defendant (acting through the Second Defendant) and the Claimant which resulted in a settlement of the two sets of the proceedings being concluded orally in discussions between the Second Defendant and Fiona McBride of W&R on or about 8 September 2011 ('the Settlement').
  15. The Settlement was on the following express terms:
    - A. The First Defendant would withdraw its opposition to the Claimant's TM Application.
    - B. The First Defendant would assign the First Defendant's TM Application to the Claimant.
    - C. Each side would bear its own costs of the two opposition proceedings."
- 4 Shard's case is that the alleged oral agreement of 8 September 2011 also contained an implied term. The Particulars of Claim state as follows:

"17. It was further an implied term of the Settlement (term D) that the First Defendant would take all steps necessary to give effect to the assignment, include executing all necessary formal documents to transfer ownership and record the transfer.

18. The effect of the Settlement was to transfer beneficial title to the First Defendant's TM Application (and any granted trade mark deriving from it) to the Claimant. Accordingly, at all times since the Settlement:

a. the Claimant has been the beneficial owner of the First Defendant's TM Application and the granted trade marks deriving from it; and

b. to the extent that the First Defendant has held legal title to the First Defendant's TM Application or the granted trade marks deriving from it, it has held that title as trustee of a bare trust in favour of the Claimant as sole beneficiary."

5 I will return to the defendants' case regarding this alleged oral agreement in a moment, but first I will continue with the agreed chronology of events. On 8 September 2011, Mr Dugdill signed a form TM16 in respect of Blue Moon's trade mark application. I should explain that form TM16 is a form used by the IPO. The form is entitled "Application to record a change of ownership". It is used by parties who wish the register of trade marks to record that ownership has passed from one party to another, or sometimes it is used by parties who wish the register to record the correct name of a trade mark where it is said that the register incorrectly records that another party owns the trade mark.

6 On 27 October 2011 the IPO recorded the two oppositions as having been withdrawn, following requests from Mr Dugdill on behalf of Blue Moon, and by Shard's solicitors. On 11 November 2011 both trade mark applications were therefore granted by the IPO, and on 30 December 2011, following a request from Shard, the two trade marks were merged, resulting in the merged trade mark number 2537778, which is the trade mark at issue in the dispute today. Following this there was a period of about three and a half years during which little happened. Then, on 16<sup>th</sup> June 2015, Mr Dugdill filed an application to have the register rectified on the basis that Blue Moon should be recorded as the proprietor of the merged trade mark. On 15 February 2016, the hearing officer of the IPO issued a decision dealing with Mr Dugdill's application. The hearing officer set out her summary of the evidence that she had received in support of the application from Mr Dugdill and responses filed on behalf of Shard:

#### **"Evidence of the Applicant for Rectification**

6. This is a witness statement, dated 16 June 2015, from Mr Gerard Dugdill, a director of BMG. He explains that in 2011, discussions took place (the nature of which is not divulged) with a view to ending opposition proceedings in relation to trade marks 2537778 and 2479716 (opposition proceedings 99321 and 100667). To this end an assignment form TM16 (signed by Mr Dugdill) was sent to the registry on 8 September 2011 to change the recorded owner for both marks (at this point the registrations had not been merged) from BMG to Athene Publishing. This was actioned by the registry, proceedings ended and each party bore its own costs. However, Mr

Dugdill goes on to explain that no written assignment has ever been drawn up between the parties. As such, the application for rectification should succeed.

### **Response from the Registered Proprietor**

7. On 22 October 2015, the agent for APL, Withers & Rogers responded. They made the following submissions:

- That the mark was assigned in a bid to end proceedings between the parties;
- That the TM16 was in fact signed by Mr Dugdill;
- That there is no legal requirement that an assignment be in place prior to the filing of form TM16.

### **Submissions of the Applicant for Rectification**

8. On 9 November 2015, BMG responded, making the following submissions:

- That no written assignment was ever entered into. As such, the provisions of Section 24(3) of the Trade Marks Act 1994 are critical;
- The applicant for rectification was not professionally represented at the time and so was unaware that signing the form TM16 would result in the registration being transferred away;
- The form TM16 itself states: 'it is not a substitute for the assignment document or other proof of the transaction'.
- A number of decisions of the registry are also relied upon as regards Section 24(3) of the Act."

7 The hearing officer then went on to state her decision:

### **"Written deed of assignment**

11. Section 24(3) of the Trade Marks Act 1994 reads as follows:

'An assignment of a registered trade mark, or an assent relating to a registered trade mark, is not effective unless it is in writing signed by or on behalf of the assignor or, as the case may be, a personal representative'.

12. Both parties appear to accept that discussions took place with a view to ending the aforementioned opposition proceedings by way of an assignment. Mr Dugdill accepts that he signed the form TM16 in order for the registry to record a change of ownership. The submission from APL that there is no legal requirement for an effective assignment to be in place prior to the filing

of a form TM16 is nonsensical. The whole point of a TM16 is to record something and that something must surely have taken place. If there was any agreement between the parties regarding assignment, it was an oral one. That Mr Dugdill signed the form TM16 does not elevate this action into a written agreement of an effective assignment. It is merely a request to record a change of ownership. It is clearly not enough to satisfy the requirements of Section 24(3). **The application for rectification succeeds.**"

Thus the trade mark register was rectified so that Blue Moon became recorded as the registered proprietor of the mark.

8 In April 2016 Shard changed the name of its magazine, Credit Today, to Credit Strategy. According to Shard, this was due to a potential action for infringement of the trade mark by Blue Moon, since Blue Moon was now the proprietor.

9 I turn to the defendants' account of relevant events. It differs in particular in that, there was no oral agreement reached on 8 September 2011, and for that reason the entirety of Shard's claim falls away. The account of this pleaded in the defence was as follows. I pause to mention that in this court, the parties must set out all facts and arguments on which they rely. Paragraph 22 of the defence states:

"22. The first sentence of paragraph 14 is admitted. It is further admitted that Fiona McBride and KP of the Claimant and the 2nd defendant of the 1st Defendant entered into discussions and negotiations, pursuant to which certain outline heads of terms were discussed. However, at no time was any consideration given to the 1st Defendant. In the premises the heads of terms did not mature to a concluded and/or binding agreement enforceable by the Claimant as against the 1st Defendant (including as acting through the 2nd Defendant). No further admissions are made in respect of the matters pleaded at paragraphs 14 and/or 15."

10 I should also record what was said in para.29, which was in the following terms:

"29. As KP and the Claimant are both well aware, in the time period leading up to the signing of the TM 16, there were considerably distressing personal circumstances in which the 2nd Defendant found himself, which led him to be emotionally bribed, and therefore acting under duress, by KP of the Claimant into signing of TM16."

11 For the purposes of today's application, there was evidence filed by Mr Dugdill, and he says this in para.20(c) of his witness statement dated 14<sup>th</sup> August 2018:

"In relation to the negotiations between D1 and Fiona McBride and KP of the C in 2011, it is the C's position that this amounted to a settlement between the C and D1 the result of which was the ownership of the Trade Mark being transferred to D1. As the C is well aware, I do not agree that this was the case as, despite outline heads of terms being discussed, at no time was any consideration provided to D1 and no final agreement was concluded. The C alleges in paragraph 14 of the reply to defence that consideration was provided to D1 as each party bore its own costs relating to the negotiations. I do not agree that this is the case as, although each party did bear its own

costs, there was never any liability for D1 to pay the C's costs and therefore this agreement did not amount to consideration."

- 12 With this in mind, Ms Mcfarland today identified four matters on which the defence rests. She submitted that each of these matters, if established, would lead to a real prospect of the defendants succeeding at trial, and that in relation to none of them could I conclude today that there was no real prospect of that matter being established at trial. The first argument raised was that there was no consideration passing from Shard to Blue Moon pursuant to the alleged agreement of 8 September 2011, and in consequence there could have been no binding agreement. The second was that the negotiations which are said to have led to a binding agreement were nothing more than an agreement to agree; there was no binding contract pursuant to those negotiations. Thirdly, even if there was a binding oral agreement, the implied term relied on was not in fact part of the agreement. Finally, that even if there was a binding contract which contained the implied term relied on by Shard, this did not lead to the trust on which Shard relies. I will take these in turn.
- 13 Before that, I should say that there is some contemporaneous evidence of what happened. On the day that Shard says the oral agreement was concluded, 8 September 2011, Mr Dugdill sent an email to Rachael Lewis, an officer of the IPO, following the negotiations relied on by Shard. This email was copied to Shard's solicitors. It reads as follows:

"Dear Rachael

Further to our conversation, please be advised I am withdrawing opposition against application 2479716 and assigning application 2537778 to the proprietor of application 2479716. No order [as] to costs.

I am currently sorting out the paperwork and will forward it to the registry ASAP.

Many thanks.

Gerard Dugdill."

That email was sent at 4.09 p.m. At 2104 on the same day Mr Dugdill sent an email to Withers & Rogers, solicitors for Shard, which said this:

"Hi I have made a start on the form TM16. Could you please complete it then it can go to the registry?

Many thanks

Gerard"

Withers & Rogers responded the next day, 9 September 2011:

"Dear Gerard,

Thank you for the attached form. In order to save you time and money I confirm that we have signed on behalf of Kamala and forwarded the TM16 to the Registry today.

In the meantime, please confirm that you will write to the Registry to formally withdraw your opposition and we will do the same on behalf of Athene Publishing. This will ensure that a decision on the oppositions is not issued whilst the assignment is being recorded.

Kind regards"

I should say that Kamala was an officer of Shard, at that time, called Athene Publishing Ltd.

- 14 I take the first point raised by Ms Mcfarland, namely that there was no consideration. It seems to me that there plainly was consideration. It was the usual consideration that arises when parties settle a legal dispute, namely that pursuant to the withdrawal of claims on each side, both sides are relieved of any risk as to costs and the time consumed that would otherwise have happened had the litigation continued. Specifically, in this case, Blue Moon was relieved of any risk as to costs and expenditure of time that would have happened had it lost the two oppositions.
- 15 I turn to the next point raised, namely that the negotiation led only to an agreement to agree. Ms Mcfarland made two arguments in this regard. She referred to the email I have quoted above from Mr Dugdill, sent at 4.09 on 8 September. Ms Mcfarland submitted that where Mr Dugdill said "I am currently sorting out the paperwork to the agreement", that meant nothing more than he was still thinking about whether there should be an assignment at all, and that if he decided there should be an assignment, then at that stage the paperwork would be completed. There are a number of difficulties with this. First of all, Mr Dugdill in his evidence does not say that this was what he meant by "I am currently sorting out the paperwork" in the relevant email. This email was specifically pleaded in the particulars of claim. It was responded to in the defence. Mr Dugdill must have clearly understood that it formed a central part of Shard's case, and yet he has not suggested that he had the understanding which Ms Mcfarland now advances. I take the view that I should not give any significant weight to alleged views held by Mr Dugdill which he has not stated for himself, particularly in circumstances where he had every reason to state such a view, either in the defence which he signed or in the evidence which was filed for this application. Moreover, in his email timed at 21.04 on 8 September 2011, he said that he had made a start on the form TM16, and asked Withers & Rogers to complete their client's side of the form.
- 16 In my view, it is fanciful to suppose that Mr Dugdill was anything other than clear in his mind that he had reached a binding agreement with Shard to settle the two oppositions. It seems to me equally clear that there was a meeting of minds between the parties in that regard, and also a meeting of minds that Blue Moon's application should be assigned to Shard. That meeting of minds led to a binding oral agreement reflected in the email sent at 16:09 p.m.
- 17 I turn to the third argument, namely that even if there was an agreement as claimed by Shard, that agreement did not contain the implied term on which Shard relies. I have accepted that there was a binding oral agreement that Blue Moon's application should be assigned to Shard. It seems to me that necessarily, in order to implement that agreement, Blue Moon was required to take all steps to effect such an assignment, in particular to effect a legal assignment in compliance with section 24(3) of the Trade Marks Act 1994. Ms Mcfarland argued that this made no sense because it conflicted with the position between the parties regarding goodwill which subsisted in relation to the name Credit Today. I was

asked to assume that at the trial the court would conclude (a) that goodwill subsisted in that name, (b) that it had been owned by Blue Moon and (c) that Shard had been operating under a licence from Blue Moon in relation to that goodwill. I am prepared to make those assumptions for today's purposes. Ms Mcfarland said it would make no sense to assign the application in circumstances in which Blue Moon retained the goodwill. There are two difficulties with this argument. One, that the issue in relation to the implied term rests on a finding which I have made that there was agreement to assign the trade mark. Secondly, Mr Hill pointed out that it is part of Blue Moon's pleaded case that the licence, if it existed, was terminated before the alleged oral agreement. Therefore, I cannot see how the position in relation to the goodwill makes any difference. It therefore seems to me that there was an implied term as alleged.

- 18 The fourth point raised by Ms Mcfarland was that even if there was a binding contract and there was an implied term, this did not create the trust upon which Shard now relies. I should briefly restate Shard's case on the trust. Shard says that because of the oral agreement of 8 September 2011, it became the equitable owner of the trade mark. Thus, Blue Moon held the trade mark on trust for Shard from 8 September 2011. Therefore, Shard was entitled to call for the assignment of the legal interest in the trade mark and has been entitled so to do at any time since 8 September 2011 and remains so entitled. It seems to me that since I am satisfied that there was an oral agreement as alleged, it follows that Shard is the equitable owner of the trade mark and is entitled to call for a legal assignment.
- 19 That does not finally deal with the matter, however, because Ms Mcfarland had a further argument. She said that if a trust otherwise would exist, it could not be relied upon by Shard in the event that Shard did not have clean hands. There were no clean hands in the present case because, as was common ground, Shard had failed to provide a draft legal assignment of the trade mark from Blue Moon to Shard when it should have provided such an assignment or such a draft following the oral agreement. It is certainly common ground that that should have happened and appears to have been an oversight by Shard's solicitors. This argument is not pleaded, and clearly should have been if Blue Moon is to rely on it. But perhaps more substantively I do not accept that a failure to enter into a legal assignment constitutes a lack of clean hands. All it constitutes is a mistake on the part of Shard's solicitors.
- 20 It therefore seems to me that there is no real prospect of the defendants succeeding in relation to any of the four or possibly five points they now raise, and therefore I will grant summary judgment.

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**CERTIFICATE**

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This transcript has been approved by the Judge