



Neutral Citation Number: [2024] EWHC 234 (IPEC)

Claim No: IP-2022-000077

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

The Rolls Building  
7 Rolls Buildings  
Fetter Lane  
London EC4A 1NL

Date: Friday, 9 February 2024

**Before:**

**MS. PAT TREACY**  
**(SITTING AS A JUDGE OF THE CHANCERY DIVISION)**

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**Between:**

**WISE PAYMENTS LIMITED**  
**(formerly TRANSFERWISE LIMITED)**

**Claimant**

**- and -**

**(1) WITH WISE LIMITED**  
**(2) SIMON PAUL HILLS**  
**(3) JAMES MATTHEW ORTON**  
**(4) DANIEL PHILIP RICHARDS**

**Defendants**

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**IONA BERKELEY** (instructed by **Foot Anstey LLP**) appeared for the **Claimant, Wise Plc, Mr Käärman, Mr Hinrikus and Mr Nash.**

**DANIEL SELMI** (instructed by **Fieldfisher LLP**) appeared for the **Defendants.**

Hearing date: 15 January 2024

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**APPROVED JUDGMENT**

*This judgment was handed down remotely at 10.30 am on 9 February 2024 by circulation to the parties or their representatives by email and released to the National Archives.*

## DEPUTY JUDGE TREACY:

### Overview

1. This judgment relates to an application by the First Defendant to add new parties as counterclaim defendants in a trade mark and passing off dispute. The hearing was also the CMC.
2. The claim was issued on 23 September 2022. The Defence and Counterclaim was served on 14 November 2022. The claim was then stayed until 16 April 2023. The Claimant served its Reply and Defence to Counterclaim on 12 May 2023.
3. Wise Payments Limited (the ‘Claimant’) was incorporated in March 2010 under the laws of England and Wales and traded under the name TransferWise until 22 February 2021, when it began offering its goods and services under the name ‘Wise’. The formal change of name to Wise Payments Limited took effect on 25 June 2021. The Claimant’s business is the facilitation of the global transfer of money using technology which aims to make the process simpler, quicker and less expensive. It provides multicurrency prepaid accounts and debit cards to customers.
4. With Wise Limited (the ‘First Defendant’) offers logistics companies assistance in organising their work effectively. It provides onboarding software and related services to self-employed individuals and businesses that engage and/or contract with a self-employed workforce for the purposes of managing that relationship. Among other things, the First Defendant assists customers in managing payments to subcontractors. The First Defendant pleads that this aspect of its business does not involve technology to make payments automatically, nor does it involve effecting any transfer of money.
5. The Second Defendant is a director of the First Defendant and was a shareholder of the First Defendant from incorporation until 19 June 2020. The Third and Fourth Defendants have been directors of the First Defendant since 30 November 2021.
6. The details of the underlying dispute are not central to the issues to be determined today. The main allegations, including the relevant timelines, are briefly summarised below.
7. The Claimant alleges that the Defendants have infringed two of its trademarks:



- (i) UK trade mark No. 3346396 for the device mark  filed on 17 October 2018 and registered on 1 March 2019, registered for goods in Class 9 and services in class 36; and
- (ii) UK trade mark No 3346401 for the word mark TRANSFERWISE filed on 17 October 2018 and registered on 5 April 2019 also for goods in Class 9 and services in Class 36.

8. It is alleged that the infringement arises:
- from the Defendants' use of the name or sign 'Wise' since around March 2020; and
  - from around May 2020, from the Defendants' use of the stylised versions below:



9. The Claimant also alleges passing off. It contends that between 2011 and 2021 it traded using the name 'TransferWise' and various logos. Since February 2021 it has traded using the name 'Wise'. It pleads that it owns goodwill in its business associated with the name TransferWise. It also pleads that, owing to the way in which it used the name TransferWise and related logos before February 2021, a reputation is also attached to the word WISE.
10. The Defendants deny both trade mark infringement and passing off.
11. The Defendants contend that the Claimant's marks which they are alleged to have infringed were invalidly registered and that by the time the Claimant rebranded to use the word 'WISE', the First Defendant had already accrued significant goodwill in respect of that word or sign.
12. The First Defendant counterclaims for passing off on the basis that if there is any crossover between the marks and businesses the subject of the proceedings (which the Defendants deny), it is the Claimant's rebrand and subsequent use of 'WISE' that amounts to infringement.
13. The First Defendant issued an Application on 6 September 2023. It seeks to join four additional parties and to make various consequential amendments to its pleadings. The application is for the new parties to be joined only in respect of the Counterclaim for passing off in respect of the use by the Claimant of the name 'Wise'.
14. The potential additional parties are:
- Wise plc (the proposed Third Party), a member of the same corporate group as the Claimant;
  - Mr Kristo Käärman, who is the co-founder and current CEO of the Claimant, and has been a director of the Claimant since 31 March 2010 (the proposed Fourth Party);
  - Mr Taavet Hinrikus, who is the other co-founder of the Claimant, and was Chairman and a director between 8 November 2011 and 18 June 2021 (the proposed Fifth Party); and
  - Mr Dean Nash, who was General Counsel and Secretary of the Claimant between 15 October 2020 and 2 December 2021, and a director of the Claimant between 19 September 2021 and 2 December 2021 (the proposed Sixth Party).

15. Wise Plc did not contest the Application to join it as a party to the Counterclaim and was joined by consent.
16. The Claimant, Mr Käärman, Mr Hinrikus and Mr Nash all resist the Application to join the remaining proposed additional parties. Mr Käärman and Mr Hinrikus rely on IPEC case management and proportionality grounds. Mr Nash relies on those grounds and on additional substantive grounds relating to his role within the Claimant's business.
17. The outcome of the First Defendant's application will affect the remainder of the CMC directions. Case management considerations, including the costs and benefits of particular procedural or interim steps, are an important aspect of proceedings throughout any IPEC case.

### **The First Defendant's application**

18. The First Defendant states that following the expiry of the stay in April 2023, it became aware of evidence that the proposed Third to Sixth Parties were liable for the alleged passing off which is the subject of the First Defendant's Counterclaim. Following correspondence between the parties' and proposed parties' respective solicitors, the First Defendant's application to join the proposed Third to Sixth Parties and to make consequential amendments to the Defence and Counterclaim was issued on 6 September.
19. In summary, the First Defendant contends that the proposed Third to Sixth Parties are liable for the Claimant's decision to rebrand as 'Wise' and the consequent pleaded acts of passing off. The First Defendant argues that the Claimant and the proposed Third Party are primarily liable for those acts and that the proposed Fourth to Sixth Parties are jointly liable on the basis that they authorised and/or procured and/or, together with the Claimant and the Third Party, participated in a common design in relation to those acts. As the Third Party has consented to be joined (while denying the allegations), nothing further is said about its position.

### **Facts/evidence**

20. Before turning to the law and the submissions made on behalf of the parties, it is convenient to summarise the facts said by the First Defendant to support the applications in respect of each of the proposed new parties. The First Defendant's evidence was provided in the form of a witness statement given by the First Defendant's solicitor together with various documents exhibited to that witness statement.
21. The proposed Fourth Party is Mr Kristo Käärman. He is the co-founder and current CEO of the Claimant and has been a director of the Claimant since 31 March 2010. The First Defendant asserts that he was involved in the Claimant's decision to commence trading under the WISE name and/or sign in February 2021. The First Defendant relies particularly on a statement in correspondence from the Claimant's solicitors that Mr Käärman "*was involved in the decision to re-brand*".
22. The proposed Fifth Party, Mr Taavet Hinrikus, is the other co-founder of the Claimant. He was Chairman and director between 8 November 2011 and 18 June 2021. The First Defendant says that he was also involved in the Claimant's decision to rebrand and rely

particularly on correspondence from the Claimant's solicitors stating that Mr Hinrikus "*had a limited involvement in the decision to re-brand*".

23. The Proposed Sixth Party, Mr Dean Nash, was General Counsel and Secretary of the Claimant between 15 October 2020 and 2 December 2021. He was a director of the Claimant between 19 September 2021 and 2 December 2021. The First Defendant relies on evidence said to establish that Mr Nash was involved in the Claimant's rebrand in February 2021. This supporting evidence comprised a press release from Mr Nash's current employer explaining Mr Nash's background; two articles from the legal press; and comments by Mr Nash on LinkedIn.
24. The common evidence on behalf of all the proposed new Defendants was given by the Claimant's solicitor. That evidence focusses on the potential impact and cost benefit implications of joining the proposed new parties to the litigation.
25. Mr Nash provided a separate witness statement describing his role with the Claimant in more detail than was apparent from the public material on which the First Defendant relied. Aspects of that evidence are discussed as far as necessary below.
26. Mr Nash's evidence was that, from the date on which he began working for the Claimant until the rebrand took effect in February 2021 (and the date of the name change resolution on 25 June 2021), his role was that of General Counsel acting in a legal advisory capacity and reporting to the Chief Financial Officer. He confirms that he was a director between 19 September 2021 and 2 December 2021 but states that his role was a formality to enable the Claimant to comply with financial regulation requirements. Mr Nash also explains that the period during which he was a director of the Claimant (lasting just over two months) was after the rebrand to Wise went live. Mr Nash left the Wise group on 7 January 2022.

## **The Law**

27. The application to join further parties was brought under CPR 20.5. The Defendants also applied under CPR 17.1(2)(b) to amend the Defence and Counterclaim.
28. The addition of Mr Käärman and Mr Hinrikus and the related consequential amendments were opposed on the grounds of the IPEC cost benefit test only. The addition of Mr Nash was opposed on those grounds and also on the basis that the Counterclaim had no reasonable prospect of success at trial and was not based on evidential material sufficient to establish a good arguable case of joint tortfeasorship.
29. CPR 20.5 requires a defendant who wishes to counterclaim against a person other than the claimant to apply for an order that that person be added as an additional party (CPR 20.5(1)). The decision requires an exercise of discretion. Neither party identified significant authority relating to the exercise of that discretion. Counsel agreed that the approach should logically mirror that under the overlapping provisions in CPR 19.2(2):

*"The court may order a person to be added as a new party if –*

*(a) it is desirable to add the new party so that the court can resolve all the matters in dispute in the proceedings; or*

*(b) there is an issue involving the new party and an existing party which is connected to the matters in dispute in the proceedings and it is desirable to add the new party so that the court can resolve that issue.”*

30. There was no dispute that the correct approach to an application to add a party under CPR 19.2(2) (and therefore under CPR 20.5) is to consider the analogous requirements under CPR 3.4(2)(a) and (b) (applications to strike out) and CPR 24(2)(a) (applications for summary judgment).
31. As pointed out by His Honour Judge Hacon in *PeCe Beeher BV v Alevere Ltd* [2016] EWHC 434 (IPEC) (*‘Beeher’*), there is a significant degree of overlap between these tests, but they are not identical ([37]). HHJ Hacon concluded in *Beeher* that the appropriate test was that under CPR 24(2)(a) and that an application to join a party under CPR 19.2(2) would fail if the party seeking to add further parties to the litigation had no real prospect of succeeding at trial against those parties.
32. Ms Berkeley for the Claimant and the proposed additional parties to be joined to the Counterclaim relied on a 2021 Judgment of the Court of Appeal in *Kawazaki Kisen Kaisha Ltd v James Kemball Limited* [2021] EWCA Civ 33 (*‘Kawazaki’*). That Judgment dealt with an application to serve a claim on a defendant out of the jurisdiction. Popplewell LJ was clear that the test was the same as when considering applications for summary judgment, i.e. whether the case had a real, as opposed to fanciful, prospect of success. Popplewell LJ then explained, at [18]:

*“In both these contexts:*

- (1) It is not enough that the claim is merely arguable; it must carry some degree of conviction: ED & F Man Liquid Products Ltd v Patel [2003] EWCA Civ 472 at paragraph 8; Global Asset Capital Inc. v Aabar Block SARL [2017] 4 WLR 164 at paragraph 27(1).*
  - (2) The pleading must be coherent and properly particularised: Elite Property Holdings Ltd v Barclays Bank Plc [2019] EWCA Civ 204 at paragraph 42.*
  - (3) The pleading must be supported by evidence which establishes a factual basis which meets the merits test; it is not sufficient simply to plead allegations which if true would establish a claim; there must be evidential material which establishes a sufficiently arguable case that the allegations are correct: Elite Property at paragraph 41.”*
33. The principles to be applied to applications to amend under CPR 17.1(2)(b) are also relevant to the overall assessment and exercise of discretion. His Honour Judge Birss QC (as he then was) considered the correct approach in *Temple Island v New English Teas* [2011] EWPC 19 at [25]–[33] (*‘Temple Island’*).

*“Whether or not to allow an amendment to a statement of case is an exercise of discretion, exercised having regard to the overriding objective to deal with cases justly. In my judgment the general approach*

*to the consideration of amendments of statement of case in the Patents County Court is no different from the approach taken in the High Court. However, the discretion in this court will be conditioned by the particular nature and circumstances of the Patents County Court procedure. In my judgment stated generally as they are, the words of Peter Gibson LJ are as applicable in the Patents County Court as elsewhere. Amendments will generally be allowed so that the real dispute between the parties can be adjudicated upon but subject to the proviso that any prejudice can be compensated for in costs and subject to the public interest in the administration of justice. Cases should be dealt with expeditiously but also fairly and that consideration tends to weigh in favour of allowing amendments.” [25]*

34. The following paragraphs of that judgment make clear that, leaving aside the particular facts of *Temple Island*, it is always necessary to balance a request to permit an (otherwise allowable) application against the prejudice that allowing the application may cause and that this is particularly the case in IPEC. HHJ Birss concluded “*When considering an application to amend the statements of case in the Patents County Court in a regime with capped costs, that balancing exercise will include an assessment of whether the likely benefit of the amendment appears likely to justify the cost of taking and dealing with it.*” [33].
35. This was further considered in the more recent Judgment of John Kimbell KC, sitting as a Judge in this Court in *Vimage v Data Candy* [2022] EWHC 606 (IPEC) (‘*Vimage*’) in which he referred to the Judgment of Sir Terence Etherton MR in *Re Pablo Star Ltd Price v Registrar of Companies* [2018] 1 WLR 738 (‘*Pablo Star*’): “*In considering whether or not it is desirable to add a new party pursuant to CPR r 19.2(2) the lodestars are the policy objective of enabling parties to be heard if their rights may be affected by a decision in the case and the overriding objective in CPR Pt 1*” [47].
36. In *Vimage*, that approach was applied having regard to the IPEC context: “*In this court, any application to amend must also meet the cost-benefit test described in Temple Island v New English Teas* [2011] EWPC 19 at [25]-[33] and in *Fox Intellectual Property Enterprise Court, Practice and Procedure (3rd edition 2021) at para 4-119*” [22].
37. In the light of the above, the exercise of my discretion involves two considerations:
  - (i) does the case against the party to be joined have a real, as opposed to fanciful, prospect of success. This is to be assessed by testing: (i) whether the pleaded case carries a degree of conviction; (ii) whether it is coherent and properly particularised; and (iii) whether there is evidential material which establishes a sufficiently arguable case against the party in question; and
  - (ii) does the likely benefit of granting the application to join another party and the inevitable related application to permit consequential amendments satisfy the IPEC costs benefit test as well as the requirements of the relevant parts of the CPR.
38. The first question arises only in respect of Mr Nash. The second applies to all three prospective new parties.

39. Summarising the law on the substantive issue raised in respect of Mr Nash, the leading authority on joint liability based on procurement or common design is the Supreme Court Judgment in *Fish & Fish Ltd v Sea Shepherd UK* [2015] UKSC 10; [2015] A.C. 1229 (*Sea Shepherd*). Counsel for the Claimant referred me to the statement of principle in the Judgment of Lord Toulson:

*“To establish accessory liability in tort it is not enough to show that D did acts which facilitated P’s commission of the tort. D will be jointly liable with P if they combined to do or secure the doing of acts which constituted a tort. This requires proof of two elements. D must have acted in a way which furthered the commission of the tort by P, and D must have done so in pursuance of a common design to do or secure the doing of the acts which constituted the tort.”* [21]

40. The position in respect of directors, officers and shareholders of a company is summarised in the Judgment of HHJ Hacon in *Urbanbubble Ltd v Urban Evolution Property Management Ltd* [2022] EWHC 134 (IPEC) at [152]:

*“In Lifestyle Equities CV v Ahmed [2021] EWCA Civ 675 Birss LJ, with whom Moylan and Nugee LJJ agreed, considered several authorities including the judgment of the Supreme Court in Fish & Fish v Sea Shepherd [2015] UKSC 10, Mentmore Manufacturing Co Ltd v National Merchandising Manufacturing Co Inc (1978) 89 D.L.R. (3d) 195 and in particular that of the Court of Appeal in MCA Records Inc v Charly Records Ltd [2001] EWCA Civ 1441:*

*“[31] Turning to MCA v Charly Chadwick LJ noted (in [47]) that in Mentmore the question of whether and in what circumstances a director should be liable with the company was described as a difficult question of policy and that in the end a balance has to be struck between two considerations. The first consideration is the distinction between a company as a distinct legal person and its shareholders, directors and officers. The second is that everyone should be answerable for their tortious acts. The judge then made the point that because there was a balance to be struck in each case it was dangerous for an appellate court to attempt a formulation of the principles since it may come to be regarded as prescriptive ([48]). Nevertheless Chadwick LJ did feel able to formulate four principles which he then set out.*

...

*[36] ... If the individual’s conduct does not make them liable as an accessory, then the fact they are a director in and of itself cannot make them liable when they would not be otherwise. That was also made clear by Chadwick LJ in [37] of the same judgment in which he held that it was a correct statement of the law that a director or other officer of a company may in certain circumstances be personally liable for the company’s torts, although they will not be liable merely because they are an*

*officer: they must be personally involved in the commission of the tort to an extent sufficient to render them liable as a joint tortfeasor. Whether they are sufficiently involved is a question of fact, requiring an examination of the particular role played by them in the commission of the tort.”*

41. In summary, the principle is clear: a director, officer or shareholder of a company may be a joint tortfeasor in respect of a tort committed by that company. For that to be the case, that individual must be personally involved in the commission of the tort, and that involvement must be sufficient to render them liable. The fact of being an officer, director or shareholder is not in itself enough. *MCA Records Inc. v. Charly* [2002] FSR 26, as summarised in *Lifestyle Equities CV v Ahmed* [2021] EWCA Civ 675 [32] (*‘Lifestyle Equities’*) establishes that for a director or officer merely to carry out the constitutional role ascribed to them will not suffice; but the exception is a narrow one.
42. When it comes to what is required to establish joint tortfeasance, whether by directors or anyone else, *Fish & Fish v Sea Shepherd*, is clear that mere facilitation is not enough. As explained in *Lifestyle Equities*, citing *C.B.S. Songs Ltd v. Amstrad Consumer Electronics Plc* [1988] A.C. 1013 and *Unilever Plc v. Gillette (U.K.) Limited* [1989] RPC 583, liability may arise where the director or officer “*intends and procures and shares a common design that the infringement takes place*”.

### **Submissions and evidence**

#### **(i) The cost-benefit test**

43. Mr Selmi’s position on behalf of the First Defendant was that the application should succeed in respect of all three individuals; that any objection to their joinder on case management or cost benefit grounds was ‘synthetic prejudice’; that the action was relatively simple; and that, even if all parties were included in the action, it could easily be heard in three days, given the IPEC’s case management expertise. He submitted that the Claimant’s objections based on the need for additional disclosure and evidence, and the likely length of the trial, were extraordinary and that a small increase in complexity was not a proper basis for refusing to add additional parties, but only for case managing things tightly. Mr Selmi further submitted that the case could, with all additional parties included, be heard in two days if required.
44. As far as further facts relating to joint tortfeasorship were concerned, his primary submission was that those flowed naturally from the existing facts and would introduce little in the way of added complexity. His position on evidence was, however, that the First Defendant would wish to receive disclosure from any additional parties and to cross examine them at trial.
45. Ms Berkeley submitted first that the First Defendant’s application was late without any proper explanation for its lateness. During the hearing, the way in which the evidence relied on against the proposed new parties had come to light and the steps taken by the First Defendant to bring it to the attention of the Claimant were discussed by Mr Selmi. Given that this is the CMC, and therefore the appropriate time to bring applications which will have an impact on the proceedings, I concluded that the application was not late in a way to influence the exercise of the court’s discretion.

46. Ms Berkeley also submitted that the First Defendant had put forward no explanation as to the practical benefit of adding the additional parties, noting that the Claimant is a substantial company with significant resources, able to meet any damages or costs order that might be made against it in due course. She noted that the impact of the IPEC costs cap would be to limit the recovery of costs by any successful party irrespective of the number of parties involved and drew my attention to the White Book commentary under CPR 63.26 2F-17.19.2: *“It is easy to see how substantial injustice might arise in this situation, for example if a claimant chooses to sue a large number of unconnected defendants. However, the Court has effectively decided that the desirability of certainty of costs exposure to IPEC users outweighs the problems that result. It may be that the Court will recognise this potential problem by seeking to apply stricter controls on the proper parties to the action at the case management conference stage or some other appropriate time.”* Ms Berkeley submitted that in this instance, given that no material benefit had been identified by the First Defendant, such considerations militated against including the additional parties as part of the costs-benefit analysis.
47. As far as other case management issues were concerned, Ms Berkeley submitted that the addition of the three individuals would add significantly to the cost, time and complexity (and therefore cost) of preparing for trial as well as to the duration of the trial itself. Ms Berkeley confirmed that all the new parties intended to defend the allegations of joint tortfeasorship, which would require witness statements and, based on the Defendants’ draft CMC order, significant disclosure obligations as well as cross-examination at trial.
48. It was the Claimant’s position that, without the new parties, the trial would require at least two days, and possibly more, and that the addition of the new parties would add around 1.5 extra days, taking it outside the maximum length of an IPEC trial which is (in exceptional circumstances only) three days. Ms Berkeley’s proposal was that if the Court were to allow additional parties to be joined, there should be a split trial in IPEC, with the issue of joint tortfeasance in respect of the Counterclaim being stayed (together with all related case management) and heard, if necessary, at a subsequent liability trial on joint tortfeasorship only. A third trial on quantum would also then be necessary. An alternative possibility might be for the court to transfer the action to the High Court, although no application to do so had been made.
- (ii) The substantive case against Mr Nash
49. The evidence on which the First Defendant relies against Mr Nash was summarised by Mr Selmi in his skeleton as follows:

*“Dean Nash was general counsel and secretary of the Claimant between 15 October 2020 and 2 December 2021, and a director of the Claimant between 19 September 2021 and 2 December 2021. Mr Leung also explains that he was involved in the Claimant’s rebrand in February 2021 and provides supporting evidence from LinkedIn, an article on Law.com, a press release from PagoNxt (the company that he currently works at) and an article from the Legal 500.”*

50. The draft pleaded case against Mr Nash, for which permission is sought is:

*“The Sixth Party was General Counsel and secretary of the Claimant between 15 October 2020 and 2 December 2021, and a director and controlling mind of the Claimant between 19 September 2021 and 2 December 2021. The Sixth Party was also involved in the Claimant’s decision to commence trading under the WISE name and/or mark in February 2021.” and subsequently “... (b) The ... Sixth Part...[y] authorised and/or procured and/or together with the Claimant ... participated in a common design in relation to the acts of passing off complained of herein ...”*

51. Mr Selmi submitted that the evidence relied on clearly implicated Mr Nash in the decision to rebrand. He noted that, while sufficient evidence must be provided to establish a sufficiently arguable case, the test is the usual summary judgment test rather than ‘tons of evidence’. He also submitted that the Court must assume that the Defendant’s/Counterclaimant’s pleaded facts are true while also considering the likely availability of any evidence that it is reasonable to expect at trial. Mr Selmi dismissed Mr Nash’s witness statement explaining his role at the First Claimant and the timing of his various roles there as wholly irrelevant. He noted that Mr Nash’s evidence was largely the evidence that he might be expected (somewhat expanded) to give for trial and submitted that it was not appropriate to have regard to it at this stage as that would unfairly shut out the First Defendant and prevent them from pleading their case.

52. Mr Selmi’s position was that the fact that Mr Nash was General Counsel and Secretary of the Claimant when the rebrand was being planned and implemented, together with a selection of materials from press releases, social media posts and articles describing Mr Nash’s involvement in the rebrand, were together sufficient evidential basis to implicate him for the purposes of the application. He accepted that further material might become available through witness evidence or disclosure in due course which could show that Mr Nash was not jointly liable.

53. Ms Berkeley submitted on behalf of Mr Nash that, even if the Court accepted each and all of the facts pleaded by the First Defendant as being true, they did not assist the First Defendant in establishing that Mr Nash was a controlling mind of the Claimant involved in the decision to rebrand or that he at any time procured the infringement or shared a common design that it should take place.

54. Ms Berkeley’s submission was that the draft amended Counterclaim and the evidence in support of the application to add Mr Nash as a party disclosed no reasonable grounds for bringing the proposed Counterclaim against him. She noted that the evidence on which the First Defendant relied amounted only to the inferences which might be drawn from the handful of press comments, articles or posts exhibited to the witness statement of Mr Leung and the following uncontested facts:

- Mr Nash was employed by the Claimant from March 2020 until early January 2022. During that period he was General Counsel of the Claimant;
- Mr Nash was Company Secretary of the Claimant between 15 October 2020 and 2 December 2021;

- Mr Nash was a director of the Claimant for around 2 months between mid-September and 2 December 2021.
  - The Claimant began to trade under the Wise mark on 21 February 2021. This was during Mr Nash's period of employment as Company Secretary and General Counsel, but before his appointment as a director.
55. Ms Berkeley pointed out that the additional material relied on by the First Defendant (social media posts, press releases or articles) were published at around the time that Mr Nash left the Claimant's employ and submitted that they were in the nature of the sort of material lawyers use to describe their roles, for example, the material referred (in LinkedIn) to his role in "*helping TransferWise rebrand, rename and reconstitute as Wise PLC*"; or (in law.com) as having "... led [the] rebrand from TransferWise to Wise."; or (in a press release issued by Mr Nash's new employer) "*Dean Nash is coming from online money payment company Wise where he spent the last two years as General Counsel. During his tenure, his team helped to make the company publicly listed at the London Stock Exchange and rebranded from TransferWise to Wise.*" In Ms Berkeley's submission, none of the materials provided showed anything other than that Mr Nash had worked at the Claimant as General Counsel and had facilitated the rebrand in that role.
56. The only pleaded allegation that Mr Nash was a controlling mind of the Claimant relates to the period when he was a director. Ms Berkeley noted that this period was significantly after the name change had been decided upon and that decision had been acted on. She further submitted that the First Defendant had produced no evidence that Mr Nash had done anything other than carry out his functions as General Counsel. In her submission, while that in itself did not preclude Mr Nash from becoming a joint tortfeasor, it was far from sufficient to provide a factual basis for a pleading of joint tortfeasorship. She submitted that, at its highest, the evidence produced by the First Defendant went no further than showing that Mr Nash had facilitated decisions taken by others, which had been held by the Supreme Court in *Sea Shepherd* to be insufficient to establish joint tortfeasorship.
57. In Ms Berkeley's submission, the inadequacy of the First Defendant's evidence was sufficient to dismiss the application in respect of Mr Nash as, in the words of Popplewell LJ in *Kawasaki*, it did not establish "... a factual basis which meets the merits test; it is not sufficient simply to plead allegations which if true would establish a claim; there must be evidential material which establishes a sufficiently arguable case that the allegations are correct." [18].
58. In addition to that primary position, Ms Berkeley also relied on Mr Nash's direct evidence. Ms Berkeley submitted that this evidence was both relevant and admissible, given the nature of the test under CPR 24(2)(a), as explained by HHJ Hacon in *Beheer* at [37] and the need to dispose of proceedings efficiently.
59. Ms Berkeley noted that Mr Nash's evidence was to the effect that that the decision to rebrand and restructure had been taken in advance of his appointment and that his primary role as General Counsel was to advise the company and support the business during its preparation for a listing on the London Stock Exchange although he (and his legal team) also became involved in advising on a range of issues. Mr Nash explains that he reported to the Chief Financial Officer and that his involvement in the rebrand

was to provide necessary legal support and assistance to the company, rather than to formulate policy or to drive it through.

60. Mr Nash's evidence addresses his appointment as Company Secretary and what that role entailed. He explains that his appointment was by way of maternity cover, that his duties were primarily administrative or related to corporate governance and formalities. Finally, Mr Nash's evidence is that his role as a director was to ensure compliance with regulatory formalities as a listed entity. He confirmed that it had lasted only briefly.
61. In summary, Ms Berkeley submitted both: that the First Defendant's evidence was insufficient to support an arguable case giving rise to reasonable prospects of success in establishing joint tortfeasance against Mr Nash; and that this position was made even clearer by Mr Nash's evidence.
62. Finally, in respect of Mr Nash, Ms Berkeley reiterated that the costs benefit and case management objections to the inclusion of additional parties applied to him as to Mr Hinrikus and Mr Käärmann.
63. Mr Selmi's written submissions in respect of Mr Nash were that his roles within the Claimant and the additional material referred to above '*clearly implicate*' Mr Nash in the decision to rebrand. During the hearing, Mr Selmi further submitted that some aspects of Mr Nash's employment might have involved him in advising his clients as to the risks involved in the proposed rebrand in a way which could move beyond mere facilitation, but that further evidence would be required to establish that. Mr Selmi accepted that an attempt to understand the scope and nature of such involvement might encounter difficulties owing to potential issues with legal professional privilege. While some aspects of Mr Nash's work, or that of his team, might not be privileged, such as, for example, undertaking trade mark searches, it was accepted by Mr Selmi that evidence capable of establishing whether some aspects of what Mr Nash did in respect of the rebrand went beyond facilitation was likely to be affected by considerations of legal privilege, and establishing the actual ambit and impact of any privilege claimed was likely to be complex.

### **Assessment**

64. I am grateful to both counsel for their helpful submissions on the relevant legal principles and for their explanation of the state of the pleadings and of the underlying facts, both those which are already available, and those which might ultimately be available at trial.
65. There is no substantive issue as to the adequacy of the pleading against Mr Käärmann and Mr Hinrikus at this stage. The application to admit them gives rise only to case management, cost benefit and proportionality considerations.
66. Any greater costs and complexity involved in the addition of further parties must be balanced against the First Defendant's identification of them as individuals who had a direct and personal involvement in the commission of the alleged tort. It is necessary to assess whether the cost benefit disadvantages are sufficient to outweigh the First Defendant's wish to have its case against those individuals heard. In making the decision, it is also relevant that the Counterclaim is a contingent part of the First

Defendant's case while noting that it is not possible at this stage to assume that it will not be important.

67. Mr Hinrikus and Mr Käärman have indicated their intention to contest the substantive allegation of joint tortfeasorship at trial. This will inevitably add greater complexity and cost than if that question were not in issue. IPEC is a jurisdiction where the cost benefit context requires careful thought when dealing with any application that is liable to add cost and complexity, and in which the addition of new parties should not be accepted as a matter of course. However, precisely because of those considerations, IPEC also has significant case management tools at its disposal to limit the costs and delays that may follow from admitting further parties. Those tools include limiting the scope of certain procedural or evidential steps such as disclosure or cross-examination. The availability of those mechanisms to assist in striking an appropriate balance is an important part of the picture.
68. Mr Selmi submitted that this case could be dealt with in two days, even with the addition of all four additional parties. Ms Berkeley disagreed, submitting that the addition of further parties would require an extra day and a half to two days beyond the two day trial that would be required in the absence of any additional parties. This would take the trial outside the maximum (exceptional) three day trial length in IPEC. On this ground, Mr Berkeley submitted that the application should be dismissed as unnecessary and inappropriate. In the alternative, the Claimant's proposal was to accommodate the addition of further parties (if ordered) by, either: ordering a further liability trial on joint tortfeasance only; or transferring the matter to the High Court.
69. I agree with Ms Berkeley that the issues already at play in the case, together with the additional substantive issues that may well be raised by the individual defences of Mr Hinrikus and Mr Käärman are likely to require a trial lasting more than two days. Both parties agreed that the case without any additional parties would require a two-day trial and it is unrealistic to assume that the addition of issues related to personal culpability as joint tortfeasor would not require some additional time.
70. I do not accept, however, that this necessarily means that the application should be dismissed. It is one consideration to be dealt with in the round. I consider that this matter with the addition of at least some new parties could be case managed within IPEC in three days for one liability trial followed by a separate trial on quantum. That would be a more efficient approach than providing for sequential trials in IPEC or transferring the action to the High Court. Such an approach would be within the overall IPEC jurisdiction to hold trials lasting for up to three days, by far the most efficient way of dealing with the issues between the parties, and in accordance not only with fairness, but also the needs of other court users. Whilst three-day trials are the exception in IPEC, it would also be exceptional to order a split liability trial in IPEC with the additional complexity that would entail or to transfer the matter to the High Court in the absence of an application from either party and in circumstances where the matter can be dealt with in IPEC.
71. In the light of the above, I conclude that the application to join Mr Hinrikus and Mr Käärman as additional parties as counterclaim defendants should succeed. There is no substantive argument against their inclusion. Mr Selmi says that their inclusion will have limited impact and, despite Ms Berkeley's misgivings, the Court will expect that he and his clients will deal with the case against the new parties accordingly. The

IPEC cost benefit test is an important aspect of such decisions, but on balance I consider that in this instance the interest of the First Defendant in having its case heard against these parties can be accommodated in a way that satisfies fairness and the cost benefit requirements of this jurisdiction as well as the overarching requirements of the overriding objective.

72. As adding Mr Hinrikus and Mr Käärmann will increase the demands on the parties and on the Court, the case management directions will be tailored to help the parties manage the costs of preparing for trial, and the duration of the trial, particularly in respect of the disclosure regime. It is likely that the trial judge will also have this in mind, for example when considering whether cross examination of the individual witnesses on joint tortfeasorship should play a part in the final trial, even if cross examination is permitted by the case management directions.
73. As for Mr Nash, I prefer the submissions of Ms Berkeley on his behalf and conclude that the application should be dismissed. Assessing the substantive and case management issues relating to his position overall, I consider that even if the First Defendant's pleading and its factual basis met the bare test for adding him, the costs benefit considerations are not in favour of allowing him to be joined. These issues are not entirely separate, and both play a part in the overall balancing exercise. A weak case which will require significant work to make good and which will entail additional complexity for limited gain is less likely to be permitted to progress than one which may only just creep over the threshold of being arguable but which is straightforward and simple to prove and argue with limited effect on resources and costs. In this instance I am of the view that the pleading against Mr Nash should not be permitted and that the application to add him as a party should be dismissed on both substantive and case management grounds.
74. As to the substantive issues, a pleading relying on the mere fact of employment as a Company Secretary and General Counsel is not in my view sufficient. The evidence relied on by the First Defendant to support that pleading is also insufficient, consisting of an invitation to draw inferences that Mr Nash was part of a common design or otherwise liable for the pleaded tort, from a series of anodyne statements in materials essentially meant to be read by other lawyers.
75. Ms Berkeley submitted that those materials were not sufficient to provide a factual basis to meet the merits test as described by the Court of Appeal in *Kawasaki*. She reviewed each and submitted that either individually or collectively they established nothing more than that Mr Nash had acted as a General Counsel to the Claimant. They were examples of a lawyer talking to other lawyers about what he had done to assist his clients. They were not evidence that Mr Nash had authorised, procured or was acting in a common design with others in respect of the rebrand and name change. Nothing in that material, when read objectively, suggested that the criteria required to establish joint liability in tort had an adequate factual basis at this stage or would be established at trial. If those pieces were evidence of anything, Ms Berkeley submitted that it was mere facilitation.
76. Mr Selmi submitted that the evidence put forward was sufficient at this stage and invited me to bear in mind that more material might become available to bolster the First Defendant's position. He submitted that the material before the Court and the witness statement provided by Mr Nash gave rise to a substantive dispute of fact

between the parties and cautioned against having any regard to Mr Nash's witness statement on the basis that a mini trial must be avoided.

77. I disagree with Mr Selmi that the evidence submitted is sufficient to provide a factual basis for the allegation of joint tortfeasorship. It simply is not enough to support such an allegation. I agree with Ms Berkeley that it is the nature of puff and demonstrates nothing more than a lawyer who is about to change roles explaining his previous role. It is not evidence going to the elements that must be established in a pleading of joint tortfeasorship.
78. I also disagree with Mr Selmi that it is inappropriate to review the short witness statement provided by Mr Nash at this stage or that there is a material dispute of fact arising from the evidence currently available.
79. Mr Nash's evidence is entirely consistent with the material provided by the First Defendant. Nothing in his evidence contradicts the facts contained in the materials relied on by the First Defendant.
80. Secondly, it is appropriate to have some regard to evidence provided by the parties. Both Mr Selmi and Ms Berkeley took me to the judgment of HHJ Hacon in *Beeher*. In holding that the test to be applied under CPR 19.2(2)(b) was akin to that under CPR 24(2)(a) he noted that this was in part because "... *in a summary judgment application there may be additional facts on which a party seeks to rely in order to determine whether the claimant has no real prospect of succeeding on the claim ... such facts being presented in one or more witness statements*" [37].
81. The witness statement provided by Mr Nash is short and provides a factual description of his role. It confirms the First Defendant's evidence but supplements it by briefly explaining additional facts which are highly material to the likelihood of success of the First Defendant's pleaded claim against him. It falls within the category of documents identified by HHJ Hacon as relevant when deciding a summary judgment application and, by extension, similar applications. This is particularly the case in a tribunal where the control of costs is important and when short, focussed and relevant factual evidence at an early stage can help avoid significant future costs.
82. In assessing the evidence and the likelihood of success of the substantive case, I have had in mind the comments of Chadwick LJ in *MCA v Charly*, cited by HHJ Hacon in *Urbanbubble* at [152] that the mere fact that an individual holds a particular role in a company (in that case as a director, but there is no reason to believe that employees would be treated differently) does not in and of itself make them liable when otherwise they would not be. In order to be liable "... *they must be personally involved in the commission of the tort to an extent liable to render them liable as a joint tortfeasor. Whether they are sufficiently involved is a question of fact requiring an examination of the particular role played by them in the commission of the tort*" [152]. The evidence put forward by the First Defendant in this case does not sufficiently put in issue the personal involvement of Mr Nash. I agree with Ms Berkeley that, at most, it is evidence of facilitation which is insufficient.
83. For those reasons, the First Defendant's application is dismissed as the proposed amended pleading and supporting evidence disclose no reasonable grounds for bringing the proposed counterclaim against Mr Nash. The evidence relied on does not establish

a sufficient factual basis for the pleading and the proposed counterclaim has no reasonable prospects of success.

84. As far as the IPEC cost benefit assessment is concerned, I consider that the balance is also against the addition of Mr Nash as a further party.
85. Mr Nash's position is substantively different from that of Mr Hinrikus and Mr Käärmann. His addition as a party would further increase costs and complexity.
86. Mr Nash is no longer employed by the Claimant and has no further interest in the Claimant's business or in the brand. The First Defendant has no need of a remedy against him by way of injunction. The Claimant is well resourced and is now joined by three other parties against whom the First Defendant can seek monetary relief in the event that the counterclaim is both required and succeeds.
87. It was clear during the hearing that introducing Mr Nash and the need to prove joint tortfeasorship against him into the proceedings would involve an array of subsidiary issues including further evidence as to his precise activities and duties in at least three different roles, together with potential satellite disputes on issues such as the effect of legal professional privilege on the admissibility of evidence. Even if these were to be resolved before trial, they would involve the expenditure of time and money in preparation, which should not be overlooked in a cost-sensitive jurisdiction. If those issues remained live at trial, they would lead to a longer trial, requiring more resources and entailing more work for the trial judge.
88. While I accept Mr Selmi's submission that the mere fact that admitting another party to proceedings may add a small amount of complexity is not a good reason to dismiss an application to do so, I do not accept that adding Mr Nash would add only a small amount of complexity. As mentioned above, the addition of Mr Hinrikus and Mr Käärmann (together with Wise PLC) will already add a degree of complexity and additional work, requiring robust case management to maintain the case within appropriate bounds for IPEC. The differences in Mr Nash's legal and factual position referred to above are sufficiently significant that his addition might well make it difficult to remain within the three-day trial limit which applies in IPEC.
89. On balance I conclude that on case management and cost-benefit grounds also, the Application in respect of Mr Nash should be dismissed.