



Case No: HT-2019-000106

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
TECHNOLOGY AND CONSTRUCTION COURT (QBD)
[2021] EWHC 2324 (TCC)

Royal Courts of Justice
Rolls Building
Fetter Lane, London, EC4Y 1NL

Date: 17/08/2021

Before:

MRS JUSTICE O'FARRELL DBE

Between:

THE FRONT DOOR (UK) LIMITED
t/a RICHARD REID ASSOCIATES

Claimant

- and -

(1) THE LOWER MILL ESTATE LIMITED

Defendant

(2) HABITAT FIRST LIMITED

(3) WILLMORE ILES ARCHITECTS LIMITED

(4) SAVILLS (UK) LIMITED

Proposed
Defendants

Robert Stevenson (of Russell Cooke Solicitors) for the Claimant
Guy Hollingworth (instructed by Mishcon de Reya LLP) for the First Defendant and
Proposed Second Defendant
Ben Longstaff (instructed by Keystone Law) for the Proposed Third Defendant
Tom Asquith (instructed by Kennedys Law) for the Proposed Fourth Defendant

Hearing date: 17th June 2021

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.

“Covid-19 Protocol: This judgment was handed down by the judge remotely by circulation to the parties’ representatives by email and release to Bailii. The date and time for hand-down is deemed to be Tuesday 17th August 2021 at 2pm”

.....

Mrs Justice O'Farrell:

1. The matter before the Court is an application by the Claimant to join the three proposed defendants to the claim and an application to amend the Particulars of Claim in the form of an updated draft. The applications are opposed on the grounds that the claims have no real prospect of success, arguably the claims are statute-barred and they are inadequately particularised.
2. The First Defendant (“LME”) has a cross-application to strike out part of the claim, that relating to moral rights, on the basis that the Particulars of Claim disclose no reasonable grounds for bringing that claim and the claim has no real prospect of success.

Background to the claim

3. The claim arises out of the development of a holiday village at Warmwell Quarry, Weymouth, Dorset, known as Silverlake, comprising holiday homes with ancillary facilities, including a hotel, spa and club house.
4. The Claimant is an architectural practice, trading as Richard Reid Associates (“RRA”). Mr Reid is an architect and previously worked for WFA Associates Limited (“WFA”), now in liquidation, when it used the trading name of RRA. The claims advanced by the Claimant in these proceedings are based on an assignment of rights from WFA to the Claimant under a Deed of Assignment dated 19 October 2018.
5. LME is the developer of the project.
6. The proposed Second Defendant (“Habitat First”) is the holding company of LME.
7. The proposed Third Defendant (“WIAL”) is the architect for the development.
8. The proposed Fourth Defendant (“Savills”) is involved in the planning of the development.
9. In early 2012, LME invited WFA to tender for the provision of architectural services in relation to the proposed development. In April 2012 WFA was appointed by LME to provide a sketch design for the same (“the Contract”). Between April 2012 and October 2012, WFA produced the sketch landscape design for which it received a fixed fee in return for which it assigned copyright to LME.
10. The Claimant’s case is that WFA became entitled to additional fees in respect of the design work carried out once planning permission had been achieved. It also claims damages for loss of profits which would have been earned if WFA’s involvement in the project had continued. Further, it claims that the Claimant was not properly attributed as the author of drawings used in the planning permission applications and on a website for the development, giving rise to a claim for infringement of moral rights under section 77 of the Copyright, Designs and Patents Act 1988 (“the CDPA”).

Proceedings

11. On 23 October 2018 the Claimant issued proceedings against LME (Claim HT-2018-000328) seeking damages in the sum of £1.5 million approximately in respect of unpaid fees due to WFA and loss of profits.
12. The claim was not served within the period required for service. An application for an extension of time for service was refused. As a result the claim was struck out.
13. On 27 March 2019 the Claimant issued these proceedings against LME.
14. On 26 July 2019 the Particulars of Claim were served, including the following assertions and allegations:
 - “2. During discussions in early 2012, WFA and the Defendant agreed that they would base the terms of any contract entered into on an earlier contract entered into by the parties for work on an alternative development known as Lower Mill...[including] the following provisions ... 2.4 Copyright for the designs and drawings procured by WFA was to be transferred to the Defendant ...
 3. On 3 April 2012, the Defendant wrote to WFA proposing that progress be made to a work on a “speculative masterplan”. On 13 April 2012, the Defendant appointed WFA for the provision of design work in relation to the Development, in respect of which the agreed fee for the “speculative master plan” was £7,500. WFA and the Defendant also entered into a Confidentiality Agreement. The parties therefore entered into a contract of retainer (‘the Contract’) as set out in paragraph 2 above.
 4. Pursuant to a Deed of Assignment dated 19 October 2018, all of the benefit of WFA’s rights under the Contract has been assigned to the Claimant ...
 5. ...it was agreed that ... if the speculative masterplan was utilised by the Defendant and planning permission was obtained for the site or parts thereof, then the Claimant would be engaged in that process and would be remunerated accordingly ...
 7. Pursuant to the Contract, the Claimant produced (inter alia) a masterplan drawing number 774SK04 rev E (the ‘Drawing’) ...
 8. The Claimant continued to work on the Development pursuant to the Contract until October 2012 ...
 10. On 4 October 2012 the Defendant paid the Claimant £15,000 + VAT. This represented payment of the

balance of the fee due for the “speculative masterplan” together with [another matter].

11. In assigning copyright to the Defendant, the Claimant had agreed that the designs they created for the site belonged to and could be used by the Defendant. However, the Claimant did not waive nor assign its moral rights (which are in any event unassignable under s.94 of the Copyright Designs and Patents Act 1988).
12. Nonetheless, the Defendant has acted in breach of the Claimant’s moral rights in its designs as follows.

PARTICULARS OF BREACH

- 12.1 A planning application in respect of the Development was submitted by or on behalf of the Defendant under reference 1/D/13/001112 in August 2013, receiving approval in November 2014. This application used the Drawing (albeit with the houses removed).
 - 12.2 Subsequent planning applications relating to the Development ... also used the Drawing. The author of the Drawing was variously described in these documents as Savills, Wilmore Isles Architects and/or the Landmark Project.
 - 12.3 The Defendant’s website fails to ascribe authorship of the “Sun House” to the Claimant ...
 - 12.4 On 14 December 2018 Savills submitted an application in a competition run by the Royal Town Planning Institute in which the Defendant was named as the Developer and Savills as the Designer and in which again the plan used was a copy of the Drawing...”
15. The Claimant seeks £754,734.60 (inclusive of VAT) in respect of fees that became due once planning permission had been achieved, together with £779,095.10 by way of damages for lost profits that would have been earned if it had continued to work on the Development. Further, the Claimant seeks damages in respect of the breach of its moral rights.
 16. On 20 September 2019, LME served its Defence, which included the following matters:
 - “5.(b) The Claim Form did not include a claim for damages for breach of moral rights. ...
 - (c) ... insofar as the Claim Form includes claims for debts and/or breaches of contract and/or other causes of

action that accrued on or before 26 March 2013 they are statute barred ...

- (d) ... the Defendant denies that the claims made and/or rights asserted in these proceedings were fully assigned to the Claimant. The Defendant has seen a deed dated 19 October 2018, which does not refer to a contract in the same terms as set out in the POC and which only refers to the claim for £754,734.60.

...

- (f) ...the Defendant denies that there was any contractually binding agreement between the Defendant and RRA to the effect that RRA would be engaged if the Development obtained planning permission.

- (g) Without prejudice to the above arguments, further and in any event, on 4 October 2012, RRA and the Defendant entered into a full and final settlement (“the Full and Final Settlement”) in respect of all and any fees owed to RRA by the Defendant.

...

- (i) ... it is denied that RRA’s moral rights were infringed as alleged or at all.”

17. On 18 October 2019 the Claimant served its Reply, which included the following pleaded matters:

- i) Planning permission was not obtained until 11 November 2014 and no cause of action accrued prior to that date.
- ii) Under the Deed of Assignment WFA’s liquidator assigned to the Claimant all rights, title, interest and benefit in the Contract.
- iii) The Contract was formed between Richard Reid of WFA and Jeremy Paxton, director of LME.
- iv) The Full and Final Settlement of 4 October 2012 simply acknowledged acceptance of fees then due and paid up to that date.
- v) Richard Reid was an employee of WFA. WFA’s rights (including all rights pertaining to copyright) were assigned to the Claimant. The moral rights of RRA to be recognised as the author of the speculative master plan could not be assigned by RRA but the right of action to enforce those moral rights on behalf of WFA could be assigned.

- vi) The assertion of moral rights was effected by the name of Richard Reid Associates appearing on the title block of the speculative masterplan produced by RRA.
- 18. On 20 February 2020 security for costs was ordered against the Claimant and the proceedings were stayed, pending payment of such security.
- 19. The CMC in this matter was listed for 5 March 2021. However on 26 February 2021 the Claimant intimated that it wished to make its application to join additional parties before the CMC. Accordingly, the CMC date was vacated pending determination of this application.

The applications

- 20. On 17 February 2021 the Claimant issued its application, seeking permission to join Habitat First, WIAL and Savills as defendants to the proceedings, pursuant to CPR 19. The application is supported by the witness statement of Mr Stevenson of BLM dated 17 February 2021, which exhibits amended Particulars of Claim for which permission is also sought, pursuant to CPR 17. On 11 June 2021 the Claimant served a witness statement by Richard Reid in support of the application.
- 21. The claims that are sought to be introduced against each of Habitat First, WIAL and Savills, are:
 - i) a claim for damages for breach of moral rights;
 - ii) a claim for damages and/or an account of profits for passing-off;
 - iii) injunctive relief to prevent any further passing-off.
- 22. The above additional or amended claims are also made against LME in the draft pleading.
- 23. On 7 June 2021 LME issued its application, seeking an order pursuant to CPR 3.4(2)(a) that paragraphs 11, 12 and 17 of the Particulars of Claim and paragraph 4 of the Prayer for relief should be struck out on the grounds that they disclose no reasonable grounds for bringing the claim for infringement of moral rights set out in them.
- 24. The application to join the proposed defendants and to amend the Particulars of Claim is opposed on the grounds that it has no real prospect of success:
 - i) the moral rights claim is misconceived;
 - ii) the reverse passing-off claim as pleaded does not disclose a proper cause of action;
 - iii) the claims are statute-barred for limitation; and
 - iv) the proposed amendments lack precision and particularity so as to enable the defendants to understand the case they have to meet.

25. Mr Iles of WIAL has produced a statement dated 3 June 2021 in opposition to the Claimant's application.
26. Further, witness statements have been filed by Mr O'Flinn of Keystone Law (dated 3 June 2021) and Ms Courtman of Kennedys (dated 10 June 2021), raising concerns about the Claimant's financial position and seeking additional security for costs in the event that the joinder application succeeds.

The applicable principles

27. Once a statement of case has been served, a party may amend it only with the consent of the other party or with permission of the court: CPR 17.1.
28. CPR 17.3 provides that the court has a general discretion to allow an amendment to a statement of case, subject to CPR 17.4 (amendments of statement of case after the end of a relevant limitation period).
29. On an application by a party to amend its pleading, where there is no issue of lateness or adverse impact on the trial date, the principles can be summarised as follows (see the White Book notes at paragraphs 17.3.5 and 17.3.6):
 - i) When deciding whether to grant permission to amend, the court must exercise its discretion having regard to the overriding objective.
 - ii) Applications always involve the court striking a balance between injustice to the applicant if the amendment is refused, and injustice to the opposing party and other litigants in general, if the amendment is permitted.
 - iii) Although the court will have regard to the desirability of determining the real dispute between the parties, it must also deal with the case justly and at proportionate cost, which includes (amongst other things) saving expense, ensuring that the case is dealt with expeditiously and fairly, and allocating to it no more than a fair share of the court's limited resources.
 - iv) An application to amend will be refused if it is clear that the proposed amendment has no real prospect of success: *SPR North Ltd v Swiss Post International (UK) Ltd* [2019] EWHC 2004 (Ch). The court must consider whether the claimant has a "realistic" as opposed to a "fanciful" prospect of success: *Swain v Hillman* [2001] 1 All ER 91. A "realistic" claim is one that carries some degree of conviction. This means a claim that is more than merely arguable: *ED & F Man Liquid Products v Patel* [2003] EWCA Civ 472. In reaching its conclusion the court must not conduct a "mini-trial": *Swain v Hillman*.
30. CPR 17.4 states:
 - "(1) This rule applies where –"
 - (a) a party applies to amend his statement of case in one of the ways mentioned in this rule; and
 - (b) a period of limitation has expired under –

(i) the Limitation Act 1980 ...;

(2) The court may allow an amendment whose effect will be to add or substitute a new claim, but only if the new claim arises out of the same facts or substantially the same facts as a claim in respect of which the party applying for permission has already claimed a remedy in the proceedings...”

31. Section 35(2) of the Limitation Act 1980 provides that a new claim includes any claim involving the addition or substitution of a new cause of action.

32. The court’s permission is required to add a party, unless the claim form has not been served: CPR 19.4.

33. CPR 19.2 provides:

“(1) This rule applies where a party is to be added or substituted except where the case falls within rule 19.5 (special provisions about changing parties after the end of a relevant limitation period).

(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 ...”

34. CPR 19.5 makes provision for applications to add a party after expiry of a period of limitation:

“(1) This rule applies to a change of parties after the end of a period of limitation under –

(a) the Limitation Act 1980 ...

(2) The court may add or substitute a party only if –

(a) the relevant limitation period was current when the proceedings were started; and

(b) the addition or substitution is necessary.

(3) The addition or substitution of a party is necessary only if the court is satisfied that –

(a) the new party is to be substituted for a party who was named in the claim form in mistake for the new party;

(b) the claim cannot properly be carried on by or against the original party unless the new party is added or substituted as claimant or defendant; or

(c) the original party has died or had a bankruptcy order made against him and his interest or liability has passed to the new party...”

35. CPR 3.4(2) provides that:

“The court may strike out a statement of case if it appears to the court:

...

(a) that the statement of case discloses no reasonable grounds for bringing or defending the claim” ...

36. The test on an application to strike out is whether the court is certain that the claim is bound to fail. Unless it is certain, the case is inappropriate for striking out.

37. The issues for the Court are:

- i) whether the moral rights claim has a realistic, as opposed to a fanciful, prospect of success against LME or any of the proposed defendants;
- ii) whether the passing-off claim has a realistic, as opposed to a fanciful, prospect of success against LME or any of the proposed defendants;
- iii) whether any of the proposed new claims are statute-barred, or arguably are statute-barred;
- iv) whether the new and/or amended claims are adequately particularised;
- v) whether the Court should exercise discretion to allow the joinder of the additional parties and/or the other amendments;
- vi) whether the Court should strike out any part of the existing claim.

Moral rights claim

38. The proposed claim for infringement of moral rights is pleaded as follows:

“11. In assigning copyright in the Drawing and the House Designs to the Defendant and pursuant to the Contract and the earlier Lower Mill development agreement, the Claimant had agreed that the designs they created for the site and previously for the Lower Mill site belonged to and could be used by the Defendant in accordance with the terms of the Contract. However, the Claimant did not waive nor assign its moral rights

(which are in any event unassignable under s.94 of the Copyright Designs and Patents Act 1988).

- 11A. The moral rights of RRA to be identified as the Author of the Drawing and the House Designs was in each case asserted by way of the title block of the drawings which identified Richard Reid and Associates as the author thereof.
12. Nonetheless, the First Defendant has acted in breach of the Contract and each of the Defendants of the Claimant's moral rights in its designs as follows.

PARTICULARS OF BREACH

- 12.1 A planning application in respect of the Development was submitted by or on behalf of the Defendant under reference 1/D/13/001112 in August 2013, receiving approval in November 2014. This application used the Drawing (albeit with the houses removed). The authorship of the Drawing was not attributed to RRA.

...

- 12B. The uses of the Drawing and the House Designs complained of in paragraphs 12 and 12A above were each carried out pursuant to a common design between the First Defendant and Habitat First and insofar as acts of WIA and Savills are complained of, WIA and Savills, and the acts of each of the Defendants were procured and authorised by the First Defendant and/or Habitat First such as to make Habitat First and the First Defendant jointly liable therefore as joint tortfeasors...

- 12B.1 The acts of Habitat First were carried out with the authorisation of the First Defendant as owner of the copyright in the drawings and House Designs...

- 12B.2 Each use of the Drawing and the House Designs by Habitat First and/or WIA and/or Savills was carried out at the behest of and with the authorisation of the First Defendant and Habitat First (the former as copyright proprietor) ...

...

17. Further the Claimant claims damages to be assessed in respect of the breach of its moral rights by the Defendant as set out above. Without prejudice to the generality of the foregoing, the failure to properly attribute the work to RRA diminished RRA and the

Claimant's opportunity of recognition for such a singular scheme and thus to gain further like commissions."

39. Mr Hollingworth, counsel for LME and Habitat First, submits that the moral rights claim has no real prospect of success and the draft amended Particulars of Claim discloses no reasonable ground for bringing such claim. His submissions are supported by Mr Longstaff, counsel for WIAL, and Mr Asquith, counsel for Savills.
40. The right to be identified as "author" or "director" ("moral rights") is set out in section 77(1) of the CDPA:

The author of a copyright literary, dramatic, musical or artistic work, and the director of a copyright film, has the right to be identified as the author or director of the work in the circumstances mentioned in this section; but the right is not infringed unless it has been asserted in accordance with section 78.

41. The definition of "artistic work" in section 4 of the CDPA includes a graphic work, including a drawing or plan.
42. Section 9 of the CDPA provides that "author", in relation to a work, means the person who creates it.
43. Section 11 of the CDPA provides that:
- (1) The author of a work is the first owner of any copyright in it, subject to the following provisions.
 - (2) Where a literary, dramatic, musical or artistic work or a film, is made by an employee in the course of his employment, his employer is the first owner of any copyright in the work subject to any agreement to the contrary.
44. Section 78 of the CDPA states:
- (1) A person does not infringe the right conferred by section 77 (right to be identified as author or director) by doing any of the acts mentioned in that section unless the right has been asserted in accordance with the following provisions so as to bind him in relation to that act.
 - (2) The right may be asserted generally, or in relation to any specified act or description of acts—
 - (a) on an assignment of copyright in the work, by including in the instrument effecting the assignment a statement that the author or director

asserts in relation to that work his right to be identified, or

- (b) by instrument in writing signed by the author or director.

45. Section 79(3) of the CDPA states:

The right does not apply to anything done by or with the authority of the copyright owner where copyright in the work originally vested in the author's or director's employer by virtue of section 11(2) (works produced in the course of employment).

46. Section 94 of the CDPA provides that the moral rights (including the attribution right) conferred under the CDPA are not assignable.

47. The Court is satisfied that the moral rights claim set out in the existing and proposed pleading does not disclose an arguable cause of action and is bound to fail for the following reasons.

48. Firstly, the Claimant was not the author of the Drawing or the speculative masterplan and therefore does not have, and could not acquire, any moral rights in respect of the same. The author of the work was Mr Reid, who is not a party to the claim. Moral rights are personal in nature and are not assignable. Therefore, they were, and remain, incapable of assignment by Mr Reid to WFA or to the Claimant. The Claimant seeks to rely on the Deed of Assignment dated 19 October 2018 as the basis for its right to pursue its claims against the proposed defendants. The Deed of Assignment provides for WFA to assign all its rights under three contracts, including an outstanding invoice for £754,734.60 in respect of the Contract the subject of this claim, but it does not purport to assign any moral rights, or any cause of action arising out of any moral rights.

49. Secondly, there has been no assertion of any moral rights in respect of the Drawing or the speculative masterplan for the purpose of section 78 of the CDPA so as to give rise to an actionable claim. The pleaded case relies upon the insertion of the name "RRA" on the title block of the Drawing but Mr Reid, not RRA, was the author of the work. In any event, this could not amount to a positive statement or assertion of a right or claim to attribution.

50. Thirdly, there is a complete defence to any claim for moral rights under section 79(3) of the CDPA, by reason of LME's ownership of copyright. Mr Reid produced the work in the course of his employment with WFA, trading as RRA, and copyright accordingly vested in WFA by reason of section 11 of the CDPA. In paragraph 2B of the draft pleading, the Claimant pleads that WFA assigned the design copyright to LME. In paragraph 12B the Claimant pleads that the uses of the Drawings and House Design were authorised by LME as owner of copyright. In those circumstances, no moral right applies.

51. In his oral submissions, Mr Stevenson, solicitor acting for the Claimant, accepted, properly in my judgment, that the moral rights claim could not succeed.

52. It follows that LME is entitled to have the moral rights claim against it struck out. For the same reasons, the Court refuses permission for that part of the Claimant's draft amendment that seeks to make a moral rights claim against the proposed defendants.

Passing-off claim

53. The proposed claim for passing off is pleaded as follows:

12. Nonetheless, the First Defendant has acted in breach of the Contract and each of the Defendants of the Claimant's moral rights in its designs as follows.

PARTICULARS OF BREACH

- 12.1 A planning application in respect of the Development was submitted by or on behalf of the Defendant under reference 1/D/13/001112 in August 2013, receiving approval in November 2014. This application used the Drawing (albeit with the houses removed). The authorship of the Drawing was not attributed to RRA.
- 12.2 Subsequent planning applications relating to the Development submitted by or on behalf of the Defendant ... also used the Drawing. The author of the Drawing was variously and falsely described in these documents as Savills, Wilmore Iles Architects and/or the Landmark Project without reference to RRA or the Claimant.
- 12.3 The Defendant's and/or Habitat First's websites for the Lower Mills development and the Development in each case fails to ascribe authorship of the "Sun House" to the Claimant, falsely representing it to be a design created by the Defendant and/or Habitat First.
...
- 12.3A By way of its website ... WIA claims responsibility for the Masterplan of the Development without identifying the role of RRA in preparing the Drawing ...
- 12.4 On 14 December 2018 Savills submitted an application in a competition ... In submitting the said application in its own name and without identifying the role of RRA Savills misrepresented that it and not RRA was responsible for the masterplan. ...
- 12.5 Further WIA and/or Savills and/or Habitat First and the Defendant have presented the House Designs and each of them without identifying RRA as the author thereof and misrepresenting such designs as being created by WIA for the purposes of obtaining planning

promoting and pursuing the Development, presenting drawings of the House Designs as having been created by WIA ...

...

12A. By way of the matters aforesaid in paragraph 12 the Defendants and each of them have falsely claimed to be the authors of ... the Drawing and/or the design of the Silverlake Masterplan without identifying or acknowledging the creative input of RRA, thereby misrepresenting that the work carried out by RRA in designing the said houses and in respect of the Silverlake Masterplan was carried out by them. The said misrepresentation is likely to lead and has led to deception on the part of the public as to the party responsible for RRA's said work and has caused damage to and/or misappropriated RRA's goodwill in respect thereof, in respect of which the Claimant is entitled to seek loss and damage.

54. The tort of passing-off is summarised in Wadlow: The Law of Passing-Off (5th edition) at paragraph 1-15:

“Passing-off is concerned with misrepresentations made by one trader which damage the goodwill of another trader. Misrepresentation, damage and goodwill are therefore the three essential elements of the tort and are sometimes referred to as its “classical trinity”.”

55. Mr Hollingworth submits that the claim for passing-off has no real prospect of success because (i) the Claimant does not have the goodwill of WFA's business; (ii) there could be no misrepresentation because LME owns the copyright; and (iii) no reliance on any misrepresentation has been pleaded. His submissions are supported by Mr Longstaff and Mr Asquith.
56. Mr Stevenson submits that the Claimant has an arguable case in that LME and the proposed defendants misrepresented themselves as the authors of the Drawing and speculative masterplan, giving rise to a claim for “reverse passing-off”.
57. In support of its submission that it has pleaded a cause of action that has a real prospect of success, the Claimant relies on the decision of the Court of Appeal in *Bristol Conservatories Ltd v Conservatories Custom Built Ltd* [1989] RPC 455. In that case, the defendants showed prospective customers photographs of ornamental conservatories as constituting a sample of their goods and workmanship; in fact, they were photographs of the plaintiffs' conservatories. The Court of Appeal held that it was open to the plaintiffs to claim that the defendants, by their misrepresentations, were seeking to induce customers to purchase conservatories from them on an understanding that they would be supplied from the commercial source which had designed and constructed the conservatories shown in the photographs. Orders placed in reliance on that misrepresentation would allow the defendants to supply a

conservatory not of that commercial source but of their own manufacture. Such a claim, if proved, would amount to passing-off.

58. In giving the leading judgment, Ralph Gibson LJ at p.463 referred to the judgment of Lord Greene in *Plomien Fuel Economiser v National School of Salesmanship* (1943) 60 RPC 209 (CA):

“It is perfectly true that there is no evidence that a single person who purchased an economiser from the defendants had ever heard of the plaintiffs; but in passing off there is no necessity that the person who is deceived should have known the name of the person who complains of the passing off. In many cases the name is not known at all. It is quite sufficient, in my opinion, to constitute passing off in fact, if a person being minded to obtain goods which are identified in his mind with a definite commercial source is led by false statements to accept goods coming from a different commercial source.”

59. Ralph Gibson LJ stated at p.463:

“The principle applied in that case seems to me to be well applicable to the facts alleged by the plaintiffs. Custom Built, by their misrepresentations, were seeking to induce customers to purchase conservatories from them in order to get a conservatory from the commercial source which had designed and constructed the conservatories shown in the photographs. That was the purpose of Custom Built in showing the photographs and in claiming to have designed and made the conservatories there shown. If a customer ordered a conservatory from Custom Built in response to the misrepresentation - as it was the intention of Custom Built that he should - Custom Built would supply conservatories not of the stated commercial source but of their own manufacture. Lord Greene thought that would be passing off. With respect, so do I.”

60. The Court is satisfied that the proposed pleading does not disclose reasonable grounds for bringing the passing-off claim and it is bound to fail for the following reasons.

61. At paragraph A of the draft pleading, the Claimant is described as:

“the successor in business of WFA ... and the corporate entity through which the well-known and highly regarded architectural practice Richard Reid and Associates carries out its business.”

62. At paragraph 12A of the draft pleading, the Claimant has alleged that misrepresentations on the part of the proposed defendants have caused damage to and/or misappropriated RRA's goodwill.

63. The Court is not in a position to determine whether the Claimant has, or has not, acquired the goodwill of WFA, the former architectural practice trading as RRA. Mr Hollingworth correctly notes that there is no pleaded assignment of goodwill and the Deed of Assignment is limited to an assignment of contractual rights. Indeed, in the case of the Contract, specifically, the assignment is limited to the contractual claim in respect of the outstanding invoice for unpaid fees. If that were the only difficulty with the pleading, it would be appropriate for the Court to give the Claimant an opportunity to produce a further draft amendment or provide particulars, setting out its case that the Claimant acquired the goodwill in WFA's architectural practice.
64. The parties spent time in the hearing considering and comparing the Drawing produced by Mr Reid with the planning drawings produced and/or used by LME and the proposed defendants. The Claimant's case is that the planning drawings replicated essential characteristics of its initial design. The proposed defendants dispute that allegation. In his witness statement dated 3 June 2021, Mr Iles of WIAL explains that WIAL did not start work on the Silverlake project until February 2014, over a year after WFA had ceased working on the project. He states that he did not use the drawings identified by the Claimant; indeed he did not see the drawings until 2020, in the context of the current litigation. LME and the proposed defendants identify a number of features in the subsequent planning drawings that differ from the original concept. The Court is not in a position to resolve that dispute. The issues raise matters of substance that turn on detailed factual and expert evidence, which the Court has not yet seen and which would be appropriate to be left to trial.
65. However, at paragraphs 2B and 11 of the draft pleading, it is expressly asserted by the Claimant that WFA assigned copyright in the Drawing and in the House Designs to LME. Further, it is expressly pleaded by the Claimant at paragraph 12B that use of the Drawing and the House Designs by the proposed defendants was made with the authorisation, and at the direction, of LME. Therefore, there could be no misrepresentation as to the commercial source of the design shown to the public. LME was entitled to publish the design for the Development as its design because it owns the copyright in the same.
66. The Claimant recognises this in paragraph 11 of the proposed pleading. It accepts that in assigning copyright in the Drawing and the House Designs to LME, it agreed that its design could be used by LME. The Claimant contends that it did not waive or assign its moral rights in the design but, for the reasons set out above, and as accepted by Mr Stevenson, the Claimant does not have a claim in respect of moral rights.
67. Further, although the proposed pleading states at paragraph 12A that the alleged misrepresentation is likely to lead and has led to deception on the part of the public as to the party responsible for the Drawing and House Designs, the Claimant has not set out any facts and matters that would support an assertion of reliance on any misrepresentation.
68. Therefore, the Claimant has failed to plead a case that:
 - i) the Claimant owns the goodwill of WFA's business;
 - ii) there was any misrepresentation in the light of LME's ownership of copyright in the design; or

iii) reliance on any misrepresentation.

69. In my judgment, the claim for passing-off has no real prospect of success and is bound to fail. Therefore, permission to amend to introduce such claim is refused.

Limitation

70. Mr Asquith submits that the application for joinder and/or amendment should not be permitted because it is arguable that at least parts of the claims that are identified in the proposed pleading are statute-barred.

71. Section 35 of the 1980 Act provides:

(1) For the purposes of this Act, any new claim made in the course of any action shall be deemed to be a separate action and to have been commenced –

(a) in the case of a new claim made in or by way of third party proceedings, on the date on which those proceedings were commenced; and

(b) in the case of any other new claim, on the same date as the original action.

(2) In this section a new claim means any claim by way of set-off or counterclaim, and any claim involving either –

(a) the addition or substitution of a new cause of action; or

(b) the addition or substitution of a new party;

...

(3) Except as provided by section 33 of this Act or by rules of court, neither the High Court nor any county court shall allow a new claim within subsection (1)(b) above, other than an original set-off or counterclaim, to be made in the course of any action after the expiry of any time limit under this Act which would affect a new action to enforce that claim.

72. The Court of Appeal has stated that where it is arguable that a new claim is statute barred, permission to amend should not be given. A claimant should not gain the benefit of relation back under section 35(1) of the 1980 Act: *Chandra v Brooke North* [2013] EWCA Civ 1559 per Jackson LJ:

“[66] If a claimant seeks to raise a new claim by amendment and the defendant objects that it is barred by limitation, the court must decide how to proceed. There are two options. First the court could deal with the matter as a conventional

amendment application. Alternatively, the court could direct that the question of limitation be determined as a preliminary issue.

[67] If, as is usually the case, the court adopts the first option, it will not descend into factual issues which are seriously in dispute. The court will limit itself to considering whether the defendant has a "reasonably arguable case on limitation": ... If so, the court will refuse the claimant's application. If not, the court will have a discretion to allow the amendment if it sees fit in all the circumstances.

[68] If the court refuses permission to amend, the claimant's remedy will be to issue separate proceedings in respect of the new claim. The defendant can plead its limitation defence. The limitation issue will then be determined at trial and the defendant will not be prejudiced by the operation of relation back under section 35 (1) of the 1980 Act."

73. Under section 2 of the Limitation Act 1980 the limitation period for actions founded on tort is 6 years from the date on which the cause of action accrued.
74. The allegations against LME and the proposed defendants in paragraph 12 of the draft Particulars of Claim rely on a planning application submitted in August 2013, further planning applications (undated but in respect of planning permission approved in November 2014) and a design competition in 2012. There is a further allegation in relation to a competition in 2018.
75. Mr Stevenson submits that the designs remain on various websites and therefore the Claimant has a continuing claim for damages in respect of passing-off.
76. It would not be appropriate for the Court to determine whether any of the claims are statute-barred when deciding the applications before it. It is sufficient for the purpose of this application to find that it is arguable that at least some of the claims are statute-barred.
77. On that basis, the Court would refuse the application to amend to join the additional defendants and add the new claims, even if, contrary to the above findings, the claims otherwise had a real prospect of success.

Pleading issues

78. Mr Hollingworth submits that the proposed amendments in paragraphs 2 and 3 of the draft amended Particulars of Claim should be refused on the grounds that they are not adequately particularised.
79. Paragraph 2 of the existing Particulars of Claim states:

“During discussions in early 2012, WFA and the Defendant agreed that they would base the terms of any contact entered into on an earlier contract entered into by the parties for work

on an alternative earlier development known as Lower Mill (the 'Lower Mill Development Contract')... ”

80. Various terms are set out in paragraphs 2.1 to 2.6 of the existing Particulars of Claim. The proposed amendments include additional terms:

“2.7 Use of the designs and drawings provided by WFA (and in particular the architectural works comprising the house types) was only to be for the purposes of the project, and subject to the remuneration of WFA under 2.3 above.

2.8 Alternatively, the Claimant was to be given the opportunity as each stage of the Project was developed to submit its proposals as to how the phase should proceed.

2.9 The nature of the agreement between RRA and LME on the Lower Mill Contract, and the Warmwell project was such that constituted an agreement where good faith was implied... ”

81. In paragraph 3 of the proposed amended Particulars of Claim, the Claimant pleads that in April 2012 WFA and LME entered into the Contract as set out in paragraph 2:

“comprising the terms set out at 2.1 to 2.8 applied in respect of the Development as they had been in relation to the Lower Mill Development.”

82. It is not suggested by the Claimant that either the Lower Mill Development Contract or the Contract were in writing but it has failed to provide the particulars on which it relies in support of any oral contract or an agreement by conduct, as required by CPR 16PD 7.4 and 7.5. This failure does not enable LME to understand the case it has to meet and causes particular difficulty because Mr Paxton of LME died in 2013.

83. CPR 16.4(1) provides that particulars of claim must include a concise statement of the facts on which the claimant relies.

84. Practice Direction 16 states:

“7.4 Where a claim is based upon an oral agreement, the particulars of claim should set out the contractual words used and state by whom, to whom, when and where they were spoken.

7.5 Where a claim is based upon an agreement by conduct, the particulars of claim must specify the conduct relied on and state by whom, when and where the acts constituting the conduct were done.”

85. The Lower Mill Development Contract is not alleged to be in writing and no relevant document said to contain or evidence the pleaded terms has been identified. It is not

clear from the pleading whether the Contract is said to have been formed, wholly or in part, orally, in writing, or by conduct. No particulars are given of the discussions in early 2012 on which the pleaded terms are based, save that in the Reply the Claimant states the discussions between the parties were held between Richard Reid of WFA and Jeremy Paxton a director and majority shareholder of LME.

86. In the Defence, LME pleaded at paragraph 6(b):

“The Defendant appointed RRA to provide a sketch design. RRA’s appointment is confirmed and recorded in a letter ... that was signed and dated “12-04-12” by RRA in the following terms:

‘Dear Richard Reid and Associates

We write to confirm your appointment for the development of Warmwell Estate to provide sketch design.

This appointment is subject to the following:

1.0 Copyright vests with LME

2.0 No information whatsoever may be disseminated without the written sign off of LME / Falco.

3.0 All works to be to the satisfaction, at its sole discretion, of LME / Falco.

4.0 The date by which the Work must be delivered will be advised by the project managers.

Please sign, date and return a copy of this letter and confidentiality agreement.”

87. In paragraphs 7 and 8 of the Defence, LME expressly denied paragraph 2 of the Particulars of Claim, disputing any discussion to the effect that the Contract would be based on specific terms as alleged by the Claimant and asserting that the formal retainer was as set out in paragraph 6 of the Defence. In its Reply, the Claimant did not dispute the content of the letter dated 12 April 2012 but stated that it needed to be read in the light of an earlier email of 3 April 2012. However, the Claimant did not set out any alternative, positive case, as to the formation of the Contract.

88. The current pleading does not set out sufficient particulars as to the formation of the Lower Mill Development Contract or the Contract the subject of this claim, or as to the particular terms on which the Claimant now seeks to rely, so as to enable LME to understand the case it has to meet. In those circumstances, it would not be appropriate or fair for the Court to give permission for the amendments.

89. Mr Longstaff submits that there are further deficiencies in the allegations pleaded against WIAL. In particular, criticism is made of the Claimant’s failure to particularise the drawings and house designs that are said to have been used by WIAL

or in what respect, the planning documents relied on as using WFA's design, and the essential elements of the passing-off claim. It is not necessary for the Court to resolve these issues, given the finding that the moral rights claim and the passing-off claim have no real prospect of success and the amendments will not be permitted.

Conclusion

90. For the reasons set out above, the Court will make the following orders:
- i) The Claimant's application to join as additional defendants, Habitat First, WIAL and Savills is refused.
 - ii) The Claimant's application to amend the Particulars of Claim in the form of the draft pleading produced for the hearing is refused.
 - iii) The Defendant's application to strike out paragraphs 11, 12 and 17 of the Particulars of Claim and paragraph 4 of the Prayer is granted.
91. Following hand down of this judgment, the hearing will be adjourned to a date to be fixed for the purpose of any consequential matters, if not agreed, including any applications for permission to appeal, and any time limits are extended until such hearing or further order.