



Neutral Citation Number: [2011] EWHC 1489 (Ch)

Case No: HC09CO2265

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 13/06/2011

Before :

MRS JUSTICE PROUDMAN

Between :

FUTURE PUBLISHING LIMITED

Claimant

- and -

(1) THE EDGE INTERACTIVE MEDIA INC

Defendants

(2) EDGE GAMES INC

(3) DR TIMOTHY LANGDELL

Iain Purvis QC and David Wilkinson (solicitor advocate) (instructed by Stevens & Bolton LLP) for the Claimant

Dr Tim Langdell (the 3rd Defendant) in person for the Defendants

Hearing dates: 7, 8, 9, 10, 13, 14, 15, December 2010, 12 January, 16 February, 2 March 2011
(and further written submissions 9 and 11 March 2011)

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

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Mrs Justice Proudman :

1. These proceedings are brought by Future Publishing Limited for breach of contract, breach of copyright and passing off against two companies registered in the United States, Edge Interactive Media Inc (“EIM”) and Edge Games Inc (“Games Inc”) and Dr Timothy Langdell, an individual of British origin who now lives in Pasadena USA. I am satisfied that EIM and Games Inc are controlled exclusively by Dr Langdell. A “Jack Phillips” has occasionally put his name to witness statements on behalf of EIM in the past but he is not mentioned at all by Dr Langdell in his evidence and I suspect (without making any findings in this respect) that the claimant is right in saying that he does not exist and is an invention of Dr Langdell. At all events, I find that anything EIM and Games Inc have done has been procured solely through Dr Langdell’s intervention. In so far as there is tortious liability on the part of EIM Dr Langdell is liable as joint tortfeasor on the principles set out in **MCA v. Charly Records** (No 5) [2002] FSR 26.
2. EIM and Games Inc have previously been, but are not now, legally represented in the action. Dr Langdell has appeared in person on behalf of all the defendants and I will sometimes refer to him rather than the particular defendant in question.
3. The claimant is a well-known publisher of magazines and it sells approximately 3.6m magazines per month. For present purposes its speciality is computer gaming magazines, in particular the magazine EDGE, which has been distributed in the United Kingdom since 1993. EDGE magazine has a large circulation. Its website is visited by over 400,000 visitors per month. Many jobs in the computer gaming industry are advertised in its pages, it has many corporate subscribers and it has won a number of awards over the years, including Games Magazine of the Year 2008. It is plainly a substantial enterprise engendering a substantial following and substantial respect in the gaming industry.
4. Since its initial launch in 1993 the magazine has been published under the name EDGE and has used a particular and distinctive form of logo. The letters “E” in the logo extend the cross bar on the left hand side (with a corresponding shortening on the right) and there is a sharp scalpel like point at the edge of the extension.
5. In the 1980s and early 1990s Dr Langdell had a business writing games software, under the name Softek and then Edge. He is now well-known, indeed the claimant says notorious, for pursuing third parties using the name Edge for licence fees, failing which he pursues them for damages for trade mark infringement.
6. It is common ground that Dr Langdell and the defendant companies have used three versions of an EDGE logo, all based on a stretched version of the Franklin Gothic or Helvetica fonts. One of these versions is indistinguishable from the logo used by the claimant and was used on the defendants’ letter heading in 2008 and 2009 and on EIM’s website at various times. A second has a shorter bevelled trapezoid and was used on EIM’s website from about 2003-4 until June 2009. A third has a much shorter trapezoid to the left of the vertical stanchion of the “E”, amounting to no more than a triangle shape. I only have photocopies which Dr Langdell assures me accentuate the shadow produced by the bevelling. In all three cases, however, the slashed middle bar of the E was retained, as well as the stretching effect of the letters.

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7. A number of preliminary issues arise of fact and law with which I intend to deal first.

Action unnecessary

8. Dr Langdell alleges that this present action was unnecessary as the defendants met all the claimant's requests for undertakings before the claim was served. However it seems to me wholly reasonable that the claimant should bring the action. The defendants' solicitors letter of 29th June 2009 says as follows;

“The EDGE logo has been used by our clients for many years and they will not cease using it because they are entitled to use it.”

9. I am unable to find unequivocal undertakings in the correspondence, despite Dr Langdell's assertions that they were given. Further, Dr Langdell continued to contend before me that he was entitled to continue to use the EDGE logo and that he intended to do so.

Originality

10. Dr Langdell submitted that the claimant can have no copyright in its EDGE logo because it is not original over the Franklin Gothic typeface. I do not accept this submission. The stretching of the font was combined with the distinctive slash and projection on the middle bar of the “E”. What is required for artistic originality is the expenditure of more than negligible or trivial effort or relevant skill in the creation of the work: see *Copinger and Skone James on Copyright* 16th Ed at 3-130 and **Ladbroke v. William Hill** [1964] 1 WLR 273 at 287. The claimant's logo is original within this test.

Consensual use

11. Dr Langdell claims that in 2005 he asked for and obtained the consent of Mr Pierce of the claimant to use of the EDGE logo. I accept Mr Pierce's evidence, which was not seriously challenged, that there were no discussions on the subject at any time. I therefore reject the defendants' contention under this head.
12. Dr Langdell accepted in cross-examination that he copied the EDGE logo when he used it in his letter head to write to the claimant. He said this was what he called “an estoppel representation”, by which I understood him to mean that he was using it as a deliberate challenge to the claimant to complain about the use. He asserted rather vaguely that this entitled him to a licence by conduct. I do not accept his contention.

1991 invention by Dr Langdell

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13. A third preliminary matter is that Dr Langdell asserts that he invented the EDGE logo in 1991. He contends that he did not copy the EDGE logo from any work of the claimant. Indeed he said that, consciously or unconsciously, the claimant copied his invention when the claimant started to use the EDGE logo in 1993.
14. I observe that Mr Williams, the claimant's creative director, gave evidence that he specifically designed the logo for the magazine in the course of his employment. His evidence that he was unaware of the existence of any logo used by Dr Langdell at that time was not seriously challenged in cross-examination.

5.25" floppy disks

15. The most important part of Dr Langdell's case under this head is the question of the floppy disks which he adduced as evidence in support of his case that he had invented the EDGE logo in January 1991.
16. The defendants allege in their pleading that Dr Langdell's invented logo was published and distributed in a single page catalogue and then on a printed flysheet to promote the defendants' products at trade shows and elsewhere. Dr Langdell said in opening that this was known "really clearly" to the claimant at all times and that he had been using the logo continuously for 19 years. When the court asked him what evidence there was of use of the logo in the 1990s Dr Langdell then claimed that there had in fact been what he termed "scarcity of use" at that time.
17. The evidence, and the only evidence, of his creation of the logo, supporting Dr Langdell's own testimony as to the two pages of documents, is that of certain floppy disks. They were first mentioned by Dr Langdell in open correspondence in a letter dated 20th May 2010 and his account of what happened in relation to the disks did not emerge until his seventh witness statement of 29th November 2010.
18. He claims that he saved the catalogue and flysheet on to a 5.25" banana brand floppy disk in 1991, for what reason he cannot now remember. This disk ("disk 1") was sent to the defendants' expert, Mr Steggles of Disklabs, who said not only that it was a genuine 1991 disk but also gave his opinion that the information on it was genuinely created at that time. However when the claimant's expert, Mr Dearsley of Kroll Computers, examined it he pointed out that although disk 1 was an old disk the alleged 1991 content had been created using Windows 95, that is to say, later software. He also said that the content had been deliberately backdated as though it had been created at an earlier date. When the matter was referred back to him, Mr Steggles agreed with Mr Dearsley that the content of disk 1 could not date back to 1991.
19. Dr Langdell then claimed that disk 1 had been sent in error and was a copy he had created in the mid-1990s for some reason he said he was unable to remember. He then produced an involved and absurd story about how he had found two disks in a box in 2009, one of which was a mid-90s back up disk ("disk 2") and the other of which, (disk 1) was used to clone the original. He said he took the two disks to a "repair man" and mixed them up by marking the wrong one. His oral evidence did

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not tally with his witness statement and his evidence about the boxes in which he allegedly found disk 1 and disk 2 was confused and unpersuasive.

20. He sought to explain the backdating of the images on disk 1 by saying that he wanted to create a clone as close as possible to the original. However he was wholly unable to explain to the Court's satisfaction why he should wish to create a clone at all rather than a simple back-up copy. It was not until October 2010, according to his account, that he found disk 3, the alleged original 1991 disk, although I found his evidence confusing under this head; it is possible that disk 2 and disk 3 were supposed to be one and the same.
21. At any rate, by October 2010 Dr Langdell had seen Mr Dearsley's report setting out the reasons why the information on disk 1 could not have been produced on the disk in 1991. Mr Dearsley's view was that it would be possible to create a disk which did not show these software anomalies once the maker was armed with the Report's explanation of what was wrong with the previous version. Dr Langdell said that he was technically incompetent to do such a thing but I do not accept his evidence that he did not either do it himself or procure someone else to do it.
22. In May 2010 Dr Langdell had claimed that the relevant disk was too delicate to be moved to the UK, despite the fact that he says that he shipped it twice across the Atlantic in the early part of that year. He was ordered to provide inspection by Order of the Master on 19th August 2010 which resulted in the examination by the experts.
23. Dr Langdell then produced a long and tortuous explanation of the emails he had sent to Mr Steggles, which were disclosed only a week before trial. The emails were presented to the court in a sequence which gave the impression that an email received from Mr Steggles on 3rd October 2010 was in response to an email from Dr Langdell ("the suspect Steggles email") which in fact had never been received by Mr Steggles. The suspect Steggles email mentioned no fewer than 5 times that a clone had been made. The email actually received by Mr Steggles (and to which his own email was a response) made no reference to the creation of a clone. Moreover the format of the suspect Steggles email is suspicious in itself and I have no doubt not merely that it was not received but that it was never in fact sent. The overwhelming inference is that the suspect Steggles email was concocted as support for Dr Langdell's story that he had created a cloned disk.
24. Dr Langdell's story is incredible. The truth is a prosaic one, namely that Dr Langdell concocted disk 1 in support of his claim that he had invented the EDGE logo in 1991. When this was exposed by the claimant's expert he constructed an elaborate explanation and created disk 3, having learned from the Report how to avoid the mistakes he made the first time.
25. There is however a further and very important aspect of the matter. In his closing submissions, Mr Purvis QC pointed out that in all the correspondence about disclosure there had never been a suggestion prior to May 2010 that the evidence relied on by the defendants was contained in disk rather than paper form.
26. The claimant had expressed willingness to let the court read the without prejudice correspondence passing between the parties but Dr Langdell, as was his right, refused to waive the privilege attaching to it.

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27. In his closing written submissions, however, Dr Langdell made the serious allegation against the claimant and its solicitors that they were deliberately misleading the court. He asserted that they knew very well that the disks had been referred to in without prejudice correspondence.
28. Mr Purvis took me to the relevant authorities and I held that this allegation resulted in a waiver by the defendants of their right to keep the without prejudice correspondence from the court. Mr Purvis then produced a clip of what the claimant said was the entire without prejudice correspondence for the relevant period. None of the letters in that clip mentioned the existence of a disk. In response, Dr Langdell subsequently produced a hard copy of two emails allegedly written by him to Mr Millar of the claimant (respectively dated October 2nd 2009 and February 23rd 2010) which he alleged had been deliberately and dishonestly excluded from the string of correspondence and which do indeed refer to the disk on which he relies.
29. I was in some difficulty as the matter of the without prejudice correspondence had arisen entirely in the course of closing submissions. No evidence had been formally given and there had been no cross-examination. However the correspondence and the counter allegations could not simply be ignored. Not only was the claimant's allegedly dishonest behaviour now part of Dr Langdell's case but, if the emails were genuine, they would support Dr Langdell's substantive case about the genuineness of the disk.
30. By this stage Dr Langdell had returned to Pasadena and arranging a mini-trial on the issue of the emails would be no easy task and would add substantially to the costs of the proceedings. Neither side wished me to do so.
31. I have decided that I should apply some common sense to this issue. I cannot let the case run on indefinitely in circumstances where the evidence (properly and fully tested in cross-examination) is overwhelming that the disks were concocted.
32. In deciding not to reopen the matter I have taken into account the following. The claimant has, pursuant to its continuing disclosure obligations, carried out a full search of its IT systems for the emails. No trace has been found. Dr Langdell has at no stage said that he has conducted a similar exercise and at no stage has he offered to let the claimant's experts examine any of his digital material.
33. Secondly, although Dr Langdell was aware of the claimant's allegation in mid-January, the two emails were not produced to the claimant until the hearing of 2nd March 2011, giving the claimant no opportunity to test them forensically, to seek permission to adduce evidence about them or to cross-examine Dr Langdell as to their authenticity. The emails had never been referred to before and, in common with other emails which Dr Langdell alleges were sent but not received, were not produced until the very last moment. It is hard to escape the inference that (in common with the suspect Steggle's email and the email to Randall Copland referred to below) the intention was to try and reduce the scope for investigation by the claimant. It is also hard to escape the inference that crucial emails, said to have been sent by Dr Langdell but not received (for example an email sent to Jo Clayton of the claimant, together with an alleged "read receipt") were never in fact sent at all.

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34. Thirdly, Dr Langdell claimed (as with the email to Randall Copland) that the email of 2nd October 2009 was a “stand-alone place-holder” reply and not part of a thread. However he was unable to explain why it was headed “Original Message”. The email of 23rd February 2010 is also headed “Original Message” and again no thread has been disclosed.
35. Fourthly, a subsequent email to the claimant (dated 18th December 2010) from Dr Langdell says in terms that he had not responded to the claimant’s without prejudice email timed at 1.18 am on 2nd October 2009. The alleged email of 11.34 am of 2nd October 2009 is therefore inconsistent with this assertion.
36. Lastly, the format of these emails differs from the thread disclosed by the claimant and its solicitors and resembles that of the suspect Steggle email and the Copland email, both of which were extensively dealt with in evidence.
37. I accept that it would be wrong to make positive findings of forgery of the two alleged without prejudice emails without proper evidence formally adduced. I cannot and should not make any findings of fact about them. The above factors are merely the circumstances against which I have decided that it would not be in accordance with the overriding objective to re-open the issue of whether the disks are genuine. In all those circumstances I propose to attach no weight to the two alleged without prejudice emails on the basis of a new allegation made by Dr Langdell.
38. I now turn to the claims made by the claimant in the action.

Contract

39. In October 1993 Dr Langdell issued proceedings against the claimant for passing off, alleging that he had unregistered rights in the mark EDGE. On 11th February 1994 Dr Langdell applied to register the trade mark EDGE in the class 16 (printed matter) category in respect of various items including gaming magazines. The action was stayed pending payment by Dr Langdell of security for costs but was then settled by an agreement dated 4th December 1996 (“the 1996 Agreement”). By that date, the claimant as well as EIM had applied to register the name EDGE in the class 16 (printed matter) category.
40. The thrust of the 1996 Agreement was that EIM would keep its registered mark and would be given the claimant’s trade mark application in return for a royalty-free licence for the claimant to use the mark EDGE in relation to EDGE magazine in any form, electronic, on-line or otherwise. The claimant paid EIM the sum of £20,000. All rights and goodwill arising out of the mark EDGE were to vest in EIM. EIM was prohibited from publishing or licensing anyone else to publish a magazine substantially similar to EDGE magazine under the name EDGE or any colourably similar mark. EIM was prohibited from claiming any association or connection with EDGE magazine or with the claimant, save that in response to an unsolicited request EIM could confirm that it had licensed the mark EDGE to the claimant in relation to EDGE magazine.

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41. The claimant's case is that thereafter, as EDGE magazine's success grew, Dr Langdell's behaviour became increasingly burdensome. The claimant wanted to abrogate the licensing agreement and buy all necessary trade marks from the defendants.
42. Agreement was reached in 2004, both with EIM and with Dr Langdell. The result was a Concurrent Trading Agreement ("CTA") with EIM and a Deed with Dr Langdell. Each was paid a substantial sum of money in consideration of entering into the deeds, \$250,000 to EIM and \$25,000 to Dr Langdell, although the total sum was paid into Dr Langdell's bank account.
43. I should say at this juncture that Dr Langdell relied before me on Recital F to the 1996 Agreement, saying (although this was not pleaded) that it barred the claimant from bringing these present proceedings against EIM. Recital F provided (the emphasis is mine),

"EIM Softek and Future wish to settle the Proceedings and all actual and potential disputes between them relating to the publication by Future of EDGE Magazine upon the terms hereinafter appearing."

This contention is misconceived as it ignores the fact that the 1996 Agreement was expressly (see Recital 4 of the CTA) terminated and replaced by the CTA.

44. The primary effect of the CTA was to assign to the claimant those parts of the trade marks owned by EIM which included the word EDGE and which covered EDGE magazine. Because Class 16 includes not only magazines but also other printed matter such as posters, booklets and instruction manuals the agreements provided that EIM would assign to the claimant that part of each mark in Part 16 which covered:

"Printed matter and publications, namely magazines, newspapers, journals, columns and sections within such magazines, newspapers and journals, all in the field of business, entertainment and educations relating to computers, computer software, computer games, video games, hand-held games and other interactive media."

The Register of Trade Marks was duly amended accordingly, with a suffix "A" for EIM's marks and a suffix "B" for the claimant's marks.

45. The assignment included all rights in the agreed part of the trade marks,
- "including all goodwill attaching to the use of the Agreed Part of the Trademarks in class 16 and all rights of action, powers and benefits arising from ownership of the Agreed Part..."

"Trademarks" was defined as including not only the registered marks but also "all unregistered trademark rights of EIM in those marks."

46. Under clause 2.1.2 of the CTA, EIM granted the claimant certain licensed rights, making it clear that EIM could not object to claimant using the mark EDGE in

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relation to electronic publications. By Clause 2.9, the claimant undertook not to use the mark EDGE outside the publication of computer games magazines, their associated marketing and promotion and the uses covered by clause 2.1.2.

47. Importantly, both agreements provided as follows:

CTA clause 2.4:

“EIM further undertakes that it shall not use or permit the use by any other person of any Trade marks in a way which is or could reasonably be confusing with Future’s use of the same in accordance with this Agreement and Deed.”

The Deed clause 2.1.6:

“Not [to] use or permit the use by any other person of any of the Trademarks in a way which is or could reasonably be confusing with Future’s use of the same in accordance with the [CTA].”

48. I will also cite the provisions of clause 6.9 of the CTA as Dr Langdell set great store by them, saying that the claimant never fulfilled its obligations under the last part of the sub-clause:

“...The Parties acknowledge that specifically in respect to the trademark and brand “EDGE” in the computer and video games sectors, they will both be actively promoting, building and enforcing rights in the brand to the Parties’ mutual benefit, and that the Parties will share a common aim to use their reasonable endeavours to grow and enhance the EDGE brand in the computer and video game industry and promote worldwide consumer recognition of the EDGE brand as one associated with innovative quality goods and services. While not committing either Party to take any specific action after Completion, the Parties agree in good faith to use their reasonable endeavours to identify ways in which they may work together to jointly promote and enhance the EDGE brand in the worldwide computer and video game markets.”

49. I am not sure of the relevance of clause 6.9 to the case. Dr Langdell’s counterclaim has been struck out. He seeks to use the provision (and the claimant’s alleged shortcomings, which in any event the claimant denies) as some sort of defence to the claim, justifying his use of the EDGE logo and his claims to be responsible for the magazine. However while clause 6.9 recognises that both parties will be, and should in good faith be, promoting the EDGE brand, it does not provide any mandate for making claims to the business of the other party or for causing confusion between the undertakings of the two parties. Dr Langdell’s assertion that his use of the EDGE logo was merely “a good faith effort to comply with paragraph 6.9” is misplaced.

Breaches of the CTA and of the Deed

Confusing use of the EDGE logo

50. I have no doubt that the defendants deliberately adopted a logo which is an obvious replica of the claimant's EDGE mark. I was taken to many examples and I mention only the following. The version on the home page of EIM's website in June 2010. A version used in July 2010 on EIM's page on the Café press website. A version used on a letterhead in 2008 and 2009. (Dr Langdell accepted in cross-examination that the logo adopted on his letterhead for the purposes of a letter to the claimant's solicitors was a deliberate copy.) A version used on the homepage of EIM's website between 2003/4 and June 2009. A version used on EIM's game Mythora. Versions used on the game Bobby Bearing.
51. I accept the claimant's submission that all such uses are confusing or could reasonably be confused with the claimants' EDGE logo within the meaning of CTA clause 2.4. This is so whether the test to be applied is the "defective recollection" test appropriate to passing off, or a straight comparison of the marks side by side: see generally **British Telecommunications plc v One in a Million Ltd** [1999] FSR 1 at 23.
52. Dr Langdell admitted in cross-examination that he adopted the EDGE logo on his website in June 2009 in order to create a connection in the mind of the public with the claimant. He said he believed he had the right to do so but that was on the basis of his assertion, which I have already rejected, that he himself devised the EDGE logo in 1991. The logo was adopted to indicate Dr Langdell's entire business including his own games business and I reject his claim that he only used it on his webpage to promote the claimant's magazine.
53. There is also some hearsay evidence of confusion to be found in blog comments on the Internet. Dr Langdell shrugged this off saying that this evidence could have been written by the claimant. This seems to me inherently unlikely but I ascribe less weight to such evidence as the origin is unknown and there is no possibility of analysing its trustworthiness.

Deceptive statements

54. I also accept the claimant's submission that various statements made by Dr Langdell, combined with his use of the EDGE logo, are designed to confuse visitors to his website. For example, in his letter to Apple of 31st March 2009 Dr Langdell stated that "EDGE is extremely well known for its other game products and services such as EDGE magazine." Dr Langdell operated a domain name using the title "EDGE Magazine", claiming that the magazine was published under licence from EDGE

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Games. The EDGE games website stated that the magazine was “published by our trading partner, Future Publishing”. Dr Langdell’s personal website stated that “the EDGE brand is now known for many game related products and services, notably the UK top selling games magazine EDGE”. His biography on the International Games Developers Association (“IGDA”) website stated that EDGE games “spawned such well-known EDGE branded ventures as EDGE magazine.”

55. The primary defence advanced by Dr Langdell at trial was that the statements are true. Some (but not all) of them may well be literally true, but that does not prevent them from being misleading and in my judgment they are. My one doubt was about the phrase “trading partners”, since in a letter Mr Millar himself described the claimant and the defendants in these very terms. However even leaving this one phrase on one side there is enough material amply to justify my finding that the defendants’ statements on websites controlled by them claim, explicitly or otherwise, a relationship between EIM and the claimant which does not exist and which comprises a confusing use of the trade mark EDGE in breach of the CTA.
56. I should add that Dr Langdell denies any responsibility for the contents of his biography on the IGDA website. However he was a director of IGDA when complaint was first made, and no positive defence was pleaded to this effect at a time when the point could have been investigated with IGDA.

Clauses 2.3 and 4.2

57. The claimant pursued two allegations of breach in relation to US registered trade marks. It is notable that although the distinction between denial and non-admission was carefully explained to Dr Langdell by the Court during the course of the hearing, the defence advanced no positive case but merely pleaded non-admissions. Dr Langdell claims to have assigned these trademarks to the claimant in compliance with the CTA and during the course of the trial produce extracts from the US Patent Office Website which records the existence of a corrective assignment on its assignment page. He contends that the claimant’s claim in these respects is yet more evidence of its bad faith in its dealings with him.
58. It not clear exactly what did happen with these assignments as EIM had already assigned the marks to EDGE Games. However that may be, the claimant (without making any admissions) does not now pursue these claims since in proceedings in the USA the US Court has now revoked EDGE Games’ ownership portion of the relevant trade marks. I therefore say no more about this aspect of the case.

Fundamental breach

59. The final contractual issue is whether the breaches of the CTA and the Deed by EIM and Dr Langdell are such as to constitute fundamental breach and, if so, whether the claimant has accepted the repudiation. This is an important issue since the claimant is restricted by the CTA from using the mark EDGE for any purpose other than the publication of computer games magazines and certain ancillary uses.

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60. The test for fundamental breach, approved by Lord Wilberforce in **Federal Commerce v. Molena Alpha** [1979] AC 757 at 778-9 is that expounded by Buckley LJ in **Decro-Wall v. Practitioners in Marketing** [1971] 1 WLR 361 at 380:

“...the... breach must be such as to deprive the injured party of a substantial part of the benefit to which he is entitled under the contract...Will the consequences of the breach be such that it would be unfair to the injured party to hold him to the contract and leave him to his remedy in damages”.

61. Further, as Lord Wright said in **Ross T Smyth v. T D Bailey** [1940] 3 All ER 60 at 72,

“I do not say that it is necessary to show that the party alleged to have repudiated should have an actual intention not to fulfil the contract. He may intend in fact to fulfil it, but may be determined to do so only in a manner substantially inconsistent with his obligations and not in any other way.”

62. However, although the mere fact that a breach is deliberate will not of itself make it a fundamental breach, deliberateness is a relevant factor. As Lord Wilberforce recognised in **Suisse Atlantique Société d’Armement SA v. NV Ritterdamsche Kolen Centrale** [1967] 1 AC 361 at 435,

“a deliberate breach may give rise to a right for the innocent party to refuse further performance because it indicates the other party’s attitude towards further performance.”

63. In deciding that the defendants’ breaches were fundamental, I take into account the following matters. First, the breaches are of critically important terms of the CTA and the Deed. They are breaches of the terms regulating the ongoing obligations of the parties. Clause 2.4 of the CTA balances the restrictions on the claimant’s use of the EDGE logo in areas in which EIM had no interest by protecting the claimant’s independent goodwill in the area allocated to it. As Scrutton LJ said in **Gibaud v. Great Eastern Rly** [1921] 2 KB 426 at 435,

“If you undertake to do a thing in a certain way, or to keep a thing in a certain place, with certain condition protecting it, and have broken the contract by not doing the thing contracted for, or not keeping the article in the place where you have contracted to keep it, you cannot rely on the conditions which were only intended to protect you if you carried out the contract in the way in which you had contracted to do it.”

I agree with the claimant that EIM cannot continue to claim the benefit of the CTA while at the same time refusing to comply with its own obligations not to damage the claimant’s goodwill. Where, as here, the parties have agreed terms which are to apply to both sides, the defendants’ continuing refusal to comply with their side of the bargain is inconsistent with a right to insist on the contract continuing in force. Dr Langdell on behalf of the defendants has made it quite clear before and during this trial that they intend to continue to use their versions of the EDGE logo.

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64. Secondly, the defendants' breaches were deliberately calculated to cause confusion. Thirdly, that confusion has necessarily caused substantial damage to the claimant's reputation.
65. There was a great deal of evidence before the court of Dr Langdell's increasing notoriety in the gaming industry. Dr Langdell submitted that his reputation was unjustified and had been orchestrated by the claimant. As to the former, it does not matter for present purposes whether the generally held view about Dr Langdell is justified or not. What matters is that connection with him harms the claimant. As to the latter point, I find it unlikely that all of the very considerable amount of internet condemnation of Dr Langdell has been posted by the claimant. In any event, there was other evidence of notoriety. For example, evidence from some of the claimant's witnesses (in particular Mr Binns and Mr Douglas) which was not seriously challenged. The fact that Dr Langdell pre-empted a petition to remove him from the Board of IGDA by resigning, followed by his expulsion from IGDA on ethical grounds. The fact that serious findings have been made against him and his companies in two sets of litigation in the US. Dr Langdell protested that those findings were made in interim proceedings only, but it is plain that the US court took a robust view of his conduct which will deleteriously affect the claimant's reputation if it is thought that the two businesses are connected.
66. In principle, therefore it is my view that the defendants' breaches of the CTA and the Deed were fundamental breaches within the test propounded by Lord Wilberforce.
67. Termination of a contract by acceptance of repudiation can be effected notwithstanding the prior acquisition of rights unconditionally acquired. Accordingly the assignment to the claimant of goodwill and registered trade mark rights in the name EDGE and the payments to EIM and Dr Langdell of consideration under the agreements do not prevent termination. Each side is entitled to retain those benefits: see *Chitty on Contracts* (30th Edition) at 24-051 and cases therein cited.
68. The only outstanding question is whether the claimant can be said to have unequivocally affirmed the CTA in such a manner as to debar it from terminating it through acceptance of fundamental breach. I have in mind that in August 2009 the claimant brought these proceedings for breach only. The claimant only purported to accept the defendants' repudiatory breaches by amendment to its pleading on 19th August 2010.
69. However this was a case in which the breaches were persisted in by the defendants. In those circumstances the fact that the claimant continued to press for performance should not preclude it from treating itself as discharged from its obligations under the contract. The claimant is not discharging on account of the original repudiation and trying to go back on an election to affirm. It is instead treating the contract as being at an end on account of the continuing repudiation reflected in the other party's behaviour: see *Chitty* (above) at 24-004 and cases therein cited.
70. I therefore find that the claimant has accepted the defendants' repudiatory breaches and validly terminated the CTA.

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71. I have found that Dr Langdell has tried to appropriate for his own business the goodwill associated with EDGE Magazine by statements leading the public to believe that EIM is responsible for EDGE Magazine or that EIM's games are in some way approved or authorised by EDGE Magazine. It follows that all the pleaded breaches of the CTA committed within the jurisdiction of the court also comprise acts of passing off as representations likely to lead to confusion.
72. The court will assume damage where the goodwill associated with the product is being used and eroded by the actions of the defendant: see **Blazer v. Yardley** [1992] FSR 501 at 509-10, **BT v. One in a Million** at 23 and **Irvine v. Talksport** [2002] FSR 60.
73. Further, as I have already found, association with Dr Langdell is likely to cause serious damage to the claimant and EDGE Magazine.

Infringement of copyright

74. I have already said that I accept Mr Williams's evidence that he created the EDGE Logo for the claimant and that it has artistic originality. Dr Langdell's case in copyright was put squarely on the basis that he invented the EDGE Logo in 1991. I have rejected that claim. Accordingly use by the defendants of all three versions of the EDGE logo are in my judgment copies infringing the claimant's copyright.
75. There were infringing acts within the jurisdiction of this court. Merchandise bearing the EDGE logo was advertised on the Café Press website and sold in the UK pursuant to an order from the claimant. This is an issue of copies of the work to the public within s. 16 (1) (b) of the Copyright Designs and Patents Act 1988. In addition Dr Langdell has continued to threaten to infringe copyright through use of the EDGE logo. An injunction is thus in my judgment justified and appropriate.

De-registration through non-use

76. The claimant contends that all of EIM's registered trade marks in the UK are invalid for non-use under s. 46 (1) (b) of the Trade Marks Act 1994, namely:

“that such use has been suspended for an uninterrupted period of five years and there are no proper reasons for non-use”.

The burden of proof lies on the proprietor to show that his marks have been used: s.100 of the Act.

77. Use for the purposes of s. 46 must be genuine use. In **La Mer Technology Inc v. Laboratoires Goemar SA** [2004] Case C-258/02 at [21]-[22], the European Court of Justice explained that use as follows,

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“...use of the mark may in some cases be sufficient to establish genuine use within the meaning of the Directive, even if that use is not quantitatively significant. Even minimal use can therefore be sufficient to qualify as genuine, on condition that it is deemed to be justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark.

The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case-by-case assessment which is for the national court to carry out. The characteristics of those products or services, the frequency or regularity of the use of the mark, whether the mark is used for the purpose of marketing all the identical products or services of the proprietor or merely some of them, or evidence which the proprietor is able to provide, are among the factors which may be taken into account.”

78. This action was started in 2009 but until the end of November 2009 the only evidence produced by Dr Langdell in support of trade mark use in the UK was by way of assertion in his witness statements. He says there that his annual turnover in the UK has never fallen below £100,000 and that he has consistently sold the game “Bobby Bearing” and other games for mobile phones and personal computers throughout the relevant period.
79. A number of points arise. First, there is no suggestion that these games have been advertised or promoted for sale in the UK in the relevant period. The only evidence of anyone finding and purchasing them in the UK is evidence of “trap” orders placed by the claimant for the purposes of the proceedings. Indeed when such orders were placed EIM did not even deliver the games. The only outlets through which any of the games could be purchased are Dr Langdell’s websites which redirect to amazon.com and another website. On both websites the games are priced in dollars. Amazon shows no instance of feedback from any buyers. There is therefore nothing to show that the marks “preserve or create market share for the goods or services protected by the mark”. The mere placing of the mark on the defendants’ websites is not genuine use in the absence of active promotion of the website since it is insufficient to establish a market for the goods.
80. Secondly, Dr Langdell seeks to rely on the claimant’s use of the mark. He cannot do this for the simple reason that he has no registered marks in relation to computer gaming magazines. They belong to the claimant alone.
81. Thirdly, Dr Langdell seeks to rely on sales of goods by others whom he claims are licensees of EIM. One matter relied upon is 20th Century Fox’s movie “The EDGE”. I would need cogent supporting evidence to convince me that this company is EIM’s licensee and no such evidence has been forthcoming. In any event it is doubtful whether the name of the movie fulfils the function of a trade mark in indicating the origin of goods. Another supposed licensee is Datel, which who sells a Wii game controller called “the Edge” in the US and over the internet. Again there is no evidence in support of trade mark use in the UK. A third supposed licensee is NIS

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which sells a Playstation 3 game called “Cross Edge”. Again there is no corroborative evidence and the relevance of this product is dubious in any event since “Cross Edge” is not one of the registered marks.

82. The defence, drafted at a time when the defendants were legally represented, did not give particulars of use. On 7th October and again on 22nd October 2010 the claimant served a request for further information asking for particulars of all uses relied on in relation to each mark including turnover figures and requesting support from accounts. The request was sent by recorded delivery to Dr Langdell’s address for service in Regent Street and also to Dr Langdell’s email address. No response was received and Dr Langdell claims he did not receive any such request. By contrast, the documents in Dr Langdell’s list on disclosure which might relate to use were not actually provided with the covering letter purporting to enclose them. They were still not provided despite a letter from the claimant’s solicitors of 19th October 2010 informing him of the omissions.
83. Just before the trial Dr Langdell served a supplemental list of documents. They include alleged sales figures in the UK for a number of the defendants’ games. However no underlying records were produced and it was plainly too late to investigate the position in any event. No evidence of payments has ever been offered even though it is claimed that all payments were made through Paypal. No person who is said to have purchased a game has given evidence. It is not explained how sales could have been achieved in the absence of marketing or distributorship. I observe that although the games are offered on Amazon at \$24.99 each the sale price on the document is less than \$10. No explanation has been given as to why Dr Langdell has disclosed only one order ID from Amazon, although he alleges that he sold 471 copies of the game “Racers”.
84. Another document shows sales of Bobby Bearing by a Polish company, Artegence. No evidence is tendered as to how such sales could have been effected in the UK. In any event, the sales shown are inconsistent with the contract that the defendant had with Artegence, which was in evidence. The contract does not require breakdown of sales by country, it requires payment of 30% gross revenue less sales tax and commission and there is no reference in the sales document to the exchange to dollars. The sales document does not in any event identify the number of units alleged to have been sold.
85. One of the documents disclosed by Dr Langdell shortly before trial was an EIM invoice and shipping notice dated 26th November 2010 addressed to Creative Distribution Ltd, a video game distributor in Croydon, for 50 copies of the Racers game. Dr Langdell offered no reason at all for not having disclosed documentation about this sale as soon as it was available. The invoice was a very recent one, bearing the date of only some 10 days before trial. However, under cross-examination, Dr Langdell was unable to recall the name of the person to whom he had dealt at Creative Distribution, whether the communication was by telephone or email, when the transaction had occurred, how Creative Distribution is said to have seen the game or what were the terms and conditions of sale. The invoice is in these circumstances insufficient proof of the sale it purports to record.
86. Importantly, Dr Langdell sought to rely on sales in the UK by his licensee Velocity Micro Inc. Apparently in response to the claimant’s Part 18 request on 7th October

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2010 Dr Langdell emailed the claimant's solicitors on 30th November 2010 with two emails, comprising an exchange with Randall Copland of Velocity Micro. Dr Langdell claims that he had sent hard copies of these documents to the claimant's solicitors twice by post but they were not received.

87. The first email was an alleged email from Dr Langdell to Mr Copland timed at 10.26 am on 11th June 2010, requesting UK sales figures for Velocity Micro's "Edge" and "Gamer's Edge" products for the years 2006-9. The second email is the alleged response timed at 6.34 am on 14 June 2010, saying simply,

"The figure is way over \$1m for each year".

88. The claimant contacted Mr Copland and he made a witness statement dated 3rd December 2010 attaching his correspondence with Dr Langdell. He said that the emails disclosed were not in the form sent and received. He attached the true copies of the emails he sent and received, explains how the disclosed emails appear to have been altered and confirms that the actual UK sales figures for the years in question were nil. Dr Langdell did not disclose the email dated 11th June that he had actually sent, nor did he disclose the email from Randall Copland in unredacted form which he actually received. His explanation for these omissions was totally unconvincing.

89. Having been served with Mr Copland's statement on the following working day Dr Langdell wrote to the claimant's solicitors saying that he had never alleged that Mr Copland's 14th June email was in response to his 11th June email. In cross-examination he insisted that he sent the email to Mr Copland. His explanation was that,

"...we have been let down by Velocity Micro, who said they were selling to the UK."

90. He elaborated on the Velocity Micro position by saying that he found Mr Copland's statement that he sold nothing in the UK market "surprising" as he had done some test purchases from Velocity Micro system during the years in question and had them shipped to his UK office. Again, however, there was no evidence whatsoever of this.

91. Instead, crucially, the claimant called Dr Langdell's bluff and offered to tender Mr Copland for cross-examination on his witness statement. The court explained to Dr Langdell that if he did not accept Mr Copland's evidence he would be well-advised to cross-examine him or else the court would be likely to accept his evidence as unchallenged. Dr Langdell then made the deliberate and informed choice not to take up the offer to explore his case with Mr Copland in cross-examination.

92. In all the above circumstances there is no cogent evidence that the defendants have had any presence in the UK market during the relevant period. I reject the sales figures contended for by Dr Langdell.

93. I would add that Dr Langdell contended that the claimant's allegations of passing off were inconsistent with their claims that he had not used his registered mark. However representations can still be made on websites directed into the UK in the absence of

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the conduct of a genuine business under that mark: see **Euromarket Designs Inc v. Peters** [2001] FSR 20.

Conclusion

94. The claimant therefore succeeds in establishing all claims pursued at trial.