

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**  
**INSOLVENCY AND COMPANIES LIST (ChD)**

The Rolls Building  
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Fetter Lane  
London EC4A 1N

Friday, 5 September 2025

BEFORE:

**INSOLVENCY AND COMPANIES COURT JUDGE PRENTIS**

BETWEEN:

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**EASYGROUP LIMITED**

Petitioner

- and -

- 1. ER TRAVEL SERVICES LTD (DISSOLVED)**  
**2. MR PAUL HANLEY**

Respondents

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**MS LONGSTAFF** appeared on behalf of the Petitioner  
The First Respondent did not appear and was not represented  
**MS JULIAN** appeared on behalf of the Second Respondent

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**JUDGMENT**  
(Approved)

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(Official Shorthand Writers to the Court)

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1. ICC JUDGE PRENTIS: In 1995 Nicholas and Paul Hanley registered domain names of easyrent.co.uk and easirent.com in respect of their car and van hire business. That business has over the years been carried on through various entities. It is possible, I know not, that that registration predated the use within that field by Sir Stelios Haji-Ioannou's EasyGroup; whatever. Since 2000 and ongoing to today's date there has been substantial litigation by Sir Stelios and his entities against the Hanleys and theirs, concerning what I shall call generally the mark. The ownership of the mark has, according to one of the court documents, this provided by the company which was known as ER Capital Limited (I will come on to that in a moment), shifted from Beechmore PLC through to Penfold Limited through to Penfold Fleet Limited through to ER Travel Services Limited through to the company, which was called Easy Capital Limited, and now through to ER Travel LLC which was incorporated in Florida.
  
2. To pick up two of those companies now, ER Travel Services Limited was incorporated on 5 May 2009 as Easy Assist Limited. It changed to the Travel Services style on 11 November 2015, and the evidence is that through its trading life it adopted the style Easirent as a mark. On 27 February 2020 its directors appointed Peter Dickens and Ross Connick as administrators. The administration ceased on 25 February 2022 and the company, as I shall call it, was dissolved on 3 June 2022 pursuant to the notice filed at Companies House three months earlier. Easy Capital Limited had been incorporated on 29 October 2012 as EasyIP Limited. It changed to Easy Capital (I shall try to call it "Capital") on 14 February 2020 and changed again on 28 June 2022 to Drivalia UK Limited. That last change was consequent upon a change in ownership of the company away in broad terms from the Hanleys. They were shareholders in and directors of both the company and of Capital.
  
3. These issues arise immediately in the context of a winding up petition presented by EasyGroup Limited against the company on 5 August 2024. The petitioner seeks the double-barrelled order, naturally enough, the company being dissolved. The petition was served on 8 August on the company at its registered address, at least its previous registered address, which is that of the administrators and also of its directors and so forth. It was advertised on 18 October, and there is a bona vacantia letter of 15 August from the Treasury Solicitor. On 6 November, as it happens I gave directions which joined to the petition Paul Hanley. He, as I have already said, is a contributory and a

shareholder , and we gave directions for an amended statement from him, because it included matters which it ought not to have done, and also for him to put in, if he wished, further evidence and for evidence in reply. In fact, his evidence consisted only of the amendment. The evidence from the petitioner, coming materially from Sir Stelios, came in in reply; and by sensible agreement between the parties Mr Hanley has been allowed to rely on a supplementary statement of 30 July served outside those directions. The petition had originally been listed for later in this year, but on 9 May Judge Mullen expedited it at the application of the petitioner. I am grateful to Ms Longstaff, who has appeared for the petitioner, and to Ms Julian, who has appeared for Mr Hanley.

4. The petition is founded on the petitioner's status as creditor. That itself derives from an assignment of a debt by Alliance Asset Management Limited to the petitioner on 29 July 2024. As the petition avers, Alliance's debt had been admitted into the administration by the administrators in the sum of £175,286-odd. It had received the same dividend as other unsecured creditors, which in monetary terms was £11,093-odd, and it was therefore a creditor on dissolution in a sum of £164,193-odd, which obviously remains unpaid; and the petitioner relies upon that assignment to gain its status. There is also reference in the petition to the petitioner's further claims against the company relating to the use by the company of the Easirent mark. I intend to put those on one side. It is right that there are ongoing claims, and those claims may, according to the claim form and the amended particulars of claim, include claims for an inquiry as to damages and also an account of profits arising out of the company's use of the mark historically. But at the moment those claims are unquantified, and there is no permission to continue the claim; and so the focus is on the status of the petitioner as creditor, as assignee. There is no doubt that the assignment was a complete assignment of all the rights which Alliance had by Recital B of the document, "The assignor wishes to assign to the assignee all its right, title and interest in the debt". In consideration for that, the assignee agreed to pay the sum of £30,000.
5. In his evidence, and in the submissions of Ms Julian, three issues are raised in Mr Hanley's character as contributory and director: he does not purport himself to be a creditor of the company. He says that the petitioner has no standing to present the petition. He says that the application for restoration does not fall within the general

legislative purpose of section 1029 of the Companies Act 2006, and the petition is in any event an abuse of process in that it is being pursued for collateral purpose and not for the general body of creditors. That collateral purpose is in essence the furthering of a campaign by the petitioner, among others, centred on the use by the Hanleys and others of the Easirent name. It has become, so says Mr Hanley, a personal campaign against him and his father.

6. We should first consider the first ground of opposition and the lack of standing. What is said by Mr Hanley is that there was at the date of the assignment nothing capable of being assigned, and thus, although it is accepted that were this wrong there would be an assignment effective in equity (it could not be effective in law because no notice could be given to the company which did not exist), actually the assignment was wholly without effect and that because of the extinguishment of the debt upon the dissolution of the company.
  
7. The first point to make as to this is that a petitioner for a double-barrelled order, any petitioner for a double-barrelled order petitioning as creditor, is in the same position in the sense that there has been a dissolution, and there has on this analysis therefore been an extinguishment of the debt, and yet the petition is allowed to continue, and that on the basis that the petitioner is a contingent creditor. Thus, on the making of the double-barrelled order, the company will be restored, and section 1032 will come into effect. In subsection (1), “The general effect of an order by the court for restoration to the register is that the company is deemed to have continued in existence as if it had not been dissolved or struck off the register”, and such a contingent creditor is recognised as having a right to petition. There is nothing inherently wrong in that position. It may therefore be wondered why it should make any difference that the petitioner for the same debt is not the party to whom that debt was originally owed. What is important, thus far in the analysis, is not the identity of the debt’s claimant, but the existence of the debt, the ground on which the company should be wound up; and indeed, the petitioner would say that that is its position: it stands in the shoes of Alliance here, and it is a creditor with a right to maintain the petition as a contingent creditor. In a sense, its contingency is a double one in that upon any restoration, the effect will be not only to gain the status of now an actual creditor under section 1032 but will also be to validate, as against the company, the assignment agreement. But again, there seems to be no

inherent harm in that, the focus for the petition anyway being the existence or not of a debt.

8. Ms Julian says that that is not correct and that actually, the debt being extinguished, an assignment of any type, legal or equitable, was simply not possible and can be of no present effect, and in that regard she has pointed me not to any direct authority but to the authorities gathered in the Scottish case of *Wright v Wright* [2024] SAC (Civ) 48, and that is a recent decision, 27 November 2024, in the Sheriff Appeal Court, and it is at most of persuasive value. To put it perhaps in English terms, on a divorce, a settlement was entered into. The wife was to receive monthly payments until death or remarriage. The payment was to come from a company, was guaranteed by a second company, and there was also security granted by the two sons to secure the first company's obligation. Both companies were dissolved. The wife took action against the son'. She succeeded at first instance but was unsuccessful in responding to the appeal. She succeeded at first instance because the Sheriff (this is paragraph 41) decided that "the dissolution of a company does not result in debts or obligations of the company being extinguished, but rather that the debts and obligations remain extant but are unenforceable whilst the company remains dissolved, and further, a third-party standard security [whatever that is; it is a Scottish device on which I have received no assistance] granted to secure those obligations remains enforceable".
9. The appeal court found instead that it agreed with Sir William Blackstone's Commentaries, Book 1, page 484, that the debts of a corporation, either to or from it, are totally extinguished by its dissolution, "so that the members thereof cannot recover or be charged with them in their natural capacities", and it further agreed that although the reference there is to members, that Lord Atkin, obiter in *Russian and English Bank v Baring Brothers & Co* [1936] AC 405, had been correct to say that the commentary cannot be limited to the corporators. The principle is stated absolutely, and clearly if the corporators are not liable, there is no one else who could be liable; and they drew as well from the wording of the restoration sections in the Companies Act, noting under section 1029(2)I that an application could be made by "any person who but for the company's dissolution would have been in a contractual relationship with it". It must follow that whilst the company remains dissolved, a person who would have been in a contractual relationship with it is not in a contractual relationship with it, and there is

therefore no contract. If there is no contract, there can be no debt or obligation due under it. “It is not obvious”, they went on, “why the mere possibility of restoration would change that”.

10. The context then of these observations is very different, and for my part, I would think, as I expressed to counsel in argument, that great care must be taken in analysing the 19<sup>th</sup> century authorities, which were in the very different context of severe limitations being placed upon the ability to restore companies. Indeed, in the time of Blackstone I am not even sure that limited liability was a possibility, and so he cannot have been addressing that in his comments. Those are not matters, with respect, grappled with by the appeal court. What we do know, and this is, I recognise, close at the least to what the sheriff in *Wright v Wright* had regards to, is that now a company which has been dissolved is capable of restoration, provided that the applicant can fall within the large number of examples now given, compared to the Companies Act 1985, in section 1029. We also know, and I know not the position back in the day of Blackstone or in the 19<sup>th</sup> century, that the company’s property passes to the Crown as Bona Vacantia (that is section 1012) and we also know, as we have heard already, that by subsection (1) of 1032, if there is a restoration then the company is deemed to continue in existence as if it had not been dissolved, and one can note that by subsection (3) the court on that event is able to give such directions as it thinks just for placing the company or all other persons in the same position as nearly as may be as if the company had not been dissolved or struck off the register, and one of the directions sometimes sought under that subsection is a limitation direction; in other words, a direction that limitation periods shall be deemed not to run over some or all of the time of the dissolution. The flip side of that is that we know as well that actually limitation does continue to run, although the company has been dissolved. It continues to run and when the company is restored, the company may therefore have the advantage of a limitation defence even though it was not in existence. We also know, as I have already said, that a creditor of a dissolved company has a right as a contingent creditor to present a winding up petition, and the dissolution is no answer to that.
11. In those circumstances it does not seem to me to be the law that there is nothing which could be assigned by the assignment agreement which we have in front of us. It assigned all the rights to the debt. That must include the right to petition for it, and the

contrary has not been suggested. There was a bundle of rights which Alliance had, all of which it passed to the petitioner. It was a matter for the commercial judgment of the petitioner what sum it paid for those, and it is a matter for its commercial judgment what it does with the rights it has acquired. But it would seem to me simply perverse for the position to be, as Mr Hanley would apparently have it, that the only proper petitioner is Alliance, having assigned all its rights to EasyGroup. I am not saying that it could not be a petitioner, but I do not think it can be said that it is the only available petitioner; and therefore and in the absence of any direct authority on the point, I consider that the assignment agreement was valid as an equitable assignment and that the petitioner has standing to present the petition.

12. As to the two other grounds, namely that the petitioner is not within section 1029 and that any winding up order would be an abuse, it needs to be borne in mind that the restoration provisions are in a case such as this largely mechanical. They enable a company which ought otherwise to be wound up (and I accept that there is an assumption there) to be so, and thus at best an analysis of them would appear to be an overlay to the question of whether or not the company ought to be wound up. In saying that, I am not stating that the petitioner does not have to be a party within section 1029(2), and here, as Ms Julian points out, the character on which the petitioner relies is its character as creditor and thus neither subsections (i) nor (f), (i) being contractual relationship, (f) potential legal claim, would apply. I know that the petitioner says it has a potential legal claim. I have already said I am putting that on one side as there is no quantification of it. We have (i), “any person who was a creditor of the company at the time of Its striking off or dissolution”, and the petitioner is not that, because it was not itself a creditor at the time of dissolution. But for the reasons I have already given, it would seem to me that the material aspect being the debt, the petitioner can bring itself by parity into a position of being able to seek restoration by the words “or by any other person appearing to the court to have an interest in the matter”. That interest is all but the same interest as Alliance had, and Alliance would directly fall within 1029(2)(i).
13. It is Mr Hanley’s position that this petition has been presented for an unjustifiable collateral purpose subjective to the petitioner, unjustifiable on the basis that the

petitioner is not genuinely pursuing interests of the class to which it belongs as unsecured creditor but its own and illegitimate purposes.

14. In the case reported simply, not even with a number, as *In Re A Company* [1983] BCLC 492, Harman J referred to the decision in *Branston Finance Ltd v Ledo* [1987] BCLC 502 and said that it never sought to overrule the basic law that the only proper purpose for which a petition can be presented is for the proper administration of the company's assets for the benefit of all in the relevant class. He went on to hold, "Otherwise would be to confuse motive, which is past, with purpose, which is future". Individual motive is not relevant to the analysis of the court. So he went on to say:

"In my judgement the true question is 'for what purpose does the petitioner wish to wind up this company'. A judge has to decide whether the petition is for the benefit of the class of which the petitioner forms a part or is for some purpose of his own. If the latter, then it is not properly bought."

And those observations were, as Ms Julian emphasised, approved by the Privy Council in *Ebbvale Limited v Hosking* [2013] UKPC 1, in which the board considered at paragraph 29 and having set out the dicta of Harman J, analysed Mr Hosking's purpose in seeking that the company be wound up. Its analysis is interesting in drawing out legitimate and illegitimate purposes. The court's search, doubtless in the balance of a discretion, is for an appropriate, legitimate purpose, bearing in mind of course the interests of the class, and the board recognised in that case and its rather extraordinary facts that Mr Hosking regarded a winding up order as likely to be of advantage to him in his capacity as the claimant in the English action as well as in his capacity as the petitioning creditor. It went on:

"But a winding up order was also, objectively, likely to be of substantial advantage to him in his capacity as the petitioning creditor; and to secure such an advantage was the other of his purposes. It was not necessary that it should have been his principal purpose"

15. This is in the context of a petitioner with an undisputed debt having a right, as is sometimes said, *ex debito justitiae*, to have the company wound up.

16. I have also been taken to some of the various instances of abuse described in the *Maud* cases [2015] EWHC 1626 (Ch) (Rose J) decision, building on *Ebbvale*, at paragraph 29:

“In the light of these authorities I conclude that the pursuit of insolvency proceedings in respect of a debt which is otherwise undisputed will amount to an abuse in two situations. The first is where the petitioner does not really want to obtain the liquidation or bankruptcy of the company or individual at all, but issues or threatens to issue the proceedings to put pressure on the target to take some other action which the target is otherwise unwilling to take.”

And that is not this case, as Ms Julian said. The second is where the petitioner does want to achieve the relief sought but he is not acting in the interests of the class of creditors of which he is one, or where the success of his petition will operate to the disadvantage of the body of creditors, and we are within the first limb of that, says Mr Hanley.

17. Snowden J in the later iteration of *Maud* [2016] EWHC 2175 (Ch) also referred to Mr Justice Harman and *Ebbvale*, and spoke, as I have already attempted to do myself, to the balancing exercise. This is paragraph 94:

“It also appears that a petitioner who has more than one objective or purpose in presenting and pursuing a petition may be able to avoid a finding of abuse of process if one of his purposes is legitimate, even though that is not his principal purpose... I would observe in passing that I do not think that it can be the law that just because a petitioner can say that one of its purposes is to obtain a dividend (however small) on its debt in the bankruptcy, its petition cannot be an abuse of process, no matter what its other purposes might be.”

18. Hence, I say, the balancing exercise.
19. Sir Stelios says that what the petitioner wants from the liquidation is an investigation into the affairs of the company, an investigation which he says the administrators did not carry out, and that is of some importance, in that had the administrators themselves carried out the investigation, then some other factor would have to have been raised as to why there was any benefit at all in the winding up. This would otherwise be a process for creditors aggrieved by not receiving the totality of their debt in

administration just to wind up a company in the hope that they might recover something, or cause aggravation to those who had themselves aggravated them. The circumstances in which he says there should be an investigation are founded upon the company's treatment just before and upon administration of the mark. Thus, on 23 December 2019 the company, in his words, purportedly assigned the registered UK trademark for Easirent to Capital. That was backdated to 15 December 2016, and on 10 January 2020 it also purportedly assigned the equivalent EU trademark to Capital. As to the EU trademark, that was acknowledgeably not effective because the transfer was not accepted by the office.

20. Mr Hanley in his evidence addresses what happened and the ownership of the marks. He confirms that the UK mark and indeed the EU was applied for in the name of the company. He says that that was not what he had intended to happen (he was one of a number of directors) because he considered that the mark ought to have resided with Capital, which it will be recollected was at the time known as EasyIP Limited which would indicate that it was meant to be a holding company for IP rights. He describes the later effect of the Brexit legislation concerning trademarks and their splitting, and he describes as well what happened in December 2019 and January 2020:

“On 23 December 2019 and 10 January 2020, I filed forms UK IPO and EU IPO seeking to record a change of ownership of UK 754 [that was the UK mark] and EU 784 [the EU mark] in favour of Capital... At this time, the business was in difficulty and PWC had been brought in.”

21. And we know from PWC's reports to creditors that they had indeed had involvement by this stage. The first report to creditors confirmed that PWC had been working with the company since September 2019. That work consisted of, firstly, in that month, a short-term cash flow review; the next month, an independent business review. There was performance monitoring in January 2020, contingency planning and options analysis in the same month, and then, in February 2020, an accelerated sale process. It was at the last stage that those who were to be appointed administrators, Mr Connick and Mr Dickens, were involved. That involvement, to be more specific, was after the finding of a notice of intention to appoint administrators on 10 February 2020. So, as Mr Hanley says, yes indeed, PWC had been brought in.

22. To continue with the quotation:

“I filed the trademark forms without taking legal advice, but believed at the time that what I was doing was appropriate given the long-standing intention that Capital would be the IP holding company for the Easirent business. I did not sign any formal assignment document or take any action in relation to the registered trademarks other than completing and filling the forms referred to above. It had not occurred to me at the time that the registered trademarks were subject to a charge in favour of Barclays Bank.”

23. So in order to, as he viewed it, regularise the position, he simply transferred the mark to Capital, or sought to do so. That was not for any consideration. As to whether or not that transfer was valid, Mr Hanley has no stated position. “As for the UK mark”, he says (and this is in his first statement; there are no greater specifics given in his recent update), “I repeat that at present I am by no means certain that insofar as it was rightfully registered in the company’s name in the first place, which I would not necessarily accept, it was assigned in advance to the pre pack, in which case it would have been transferred together with the EU mark as part of the pre pack”. So, he has, as I say, no view on the validity of that action, and neither is there any other evidence as to its validity or not. Sir Stelios had also raised that Nicholas Hanley, the father, had himself claimed to own the IP. Mr Hanley said, “As for my father’s assertion that he owned the Easirent name, I do not know whether he said this or not, or, if so, why my father is not a lawyer”.

24. So, that was the December 2019 transfer. As already foreshadowed, on appointment of the administrators, a pre pack arrangement was carried through with Capital. There is a dispute on the evidence as to what knowledge the petitioner or its emanations had of the administration, but certainly by April 2020 they were aware of it, because Stephenson Harwood was in correspondence with Pinsent Masons, who were acting on behalf of the administrators, and the pre pack was to Capital, being a company connected with the Hanleys. It is one of the complaints of Sir Stelios that he knew nothing about it. He observes that Capital is owned as to 70 per cent by the father, 25 per cent by Mr Hanley and five per cent by one Steven Horton, who are also directors. He is upset, Sir Stelios, that the petitioner was not given an opportunity to make an offer to purchase all or any of the business and assets of the company. It only

became aware of the administration on 15 April 2020: “If the petitioner had been given an opportunity to make an offer to purchase all or any of the business and assets of the company, I would have caused it to make such an offer”.

25. The first relevant letter from Pinsent Masons is of 24 April 2020. They say that the director of the company had not told them that the petitioner claimed ownership of the domain names and were seeking cancellation of the registrations. Mr Hanley says that he had informed them (it may only be in general terms) of the existence of litigation with the petitioner, and indeed, that is so far as the single email that we have got goes. They aver that actually the domain names were not part of the sale. They expand on this in their letter of 13 May 2020:

“The joint administrators are satisfied that they took appropriate steps, given the time available, to ensure the assets subject to the sale were free from encumbrance. Specifically in relation to the intellectual property, the joint administrators commissioned searches of the relevant registries prior to their appointment in the sale, as you should be aware from your own searches...”

26. Then there is reference to 23 December 2019 reregistration of the EU registration, and the third bullet point is that there was then no security registered against the relevant trademarks at the intellectual property registries. The only encumbrance registered in respect of the trademarks is that dated 31 March 2017 in favour of Barclays Bank PLC at Companies House, which was later registered against a certain IP at the relevant registries.
27. Nick Hanley, a director of the company, informed the joint administrators prior to their appointment, that the Easirent brand name and the domain name easirent.com were both owned by him rather than by the company (hence Sir Stelios’s reference in his statement), indicated that he had traded as Easirent for over 20 years, i.e. since before the company was incorporated:

“To summarise, your client’s claim in relation to certain intellectual property assets was not revealed by the searches. There was no registered encumbrance in your client’s favour preventing the sale of those assets which were owned by the company. But, in fact, most of those assets were not owned by the company at the time of sale and

were not sold by it as part of the sale.”

28. So, in the administrators’ view, they did not sell the right to the mark. They do say that in the ordinary administrator-like way, they sold whatever interest the company had. This letter also addresses why the petitioner had not been contacted as a potential purchaser:

“Whilst unaware of your client’s claim to be a creditor, PWC did consider your client as a potential purchaser. However, the directors of the company, who at that time were instructing PWC in relation to the marketing process [so this must be in February] recommended that all brokers be removed from consideration on the basis that the acquisition of the company’s business would run contrary to their existing brokerage models. As your client is a broker in the area of car rental, it was therefore removed along with all such businesses.”

29. That may or may not have been a good decision. But no criticism, I emphasise, is made by the petitioner of the administrators.
30. I have not been taken to the details of the pre pack sale agreement, and it simply would not be possible at this hearing to opine on what the true objective interpretation of it is and whether or not the administrators, knowingly or not, passed over the rights to the mark under it. But what we can gather from that correspondence is that they were not intending to pass over those rights. They did not believe that the company had the right to the mark, and therefore it must follow that the consideration paid by Capital did not take into account such consideration as would be referable to the mark.
31. It is said by Mr Hanley that the mark is of no conceivable value. His basis for saying that, or at least the basis for Ms Julian’s submission that it had no value, is that all matters which it covered were covered also by the EU mark. On this very thin evidence, I am afraid that it does not seem to be obvious that there was no separate value in the mark. Indeed, it appears to me obvious on its face that there was value in the mark. At the very least, it had value to the petitioner as a potential alleviator of some, at least, of its long-running IP issues with the Hanleys; and it would be in the petitioner’s obvious commercial interest to do so. That is leaving aside what value it might have had to others.

32. Therefore, as it seems to me, there are matters which ought to be investigated by an officeholder. There is no evidence that the administrators have carried out this investigation. There is no evidence that they have got beyond what they stated in their letters from spring 2020, and I accept, as Ms Julian says, that those are letters from early on in the administration. There is nothing which would indicate that they gave any later consideration to the company's potential ownership of the mark.
33. Either the intellectual property in the mark was the company's or it was not. If it was not, then the December 2019 assignment is most curious; that also in the context which I have already described, of the chain along which the mark has passed over the last 20 years. It has gone from one company to another in order to be preserved, and therefore it would appear it might be a positive decision in support of the ongoing preservation of the mark within the hands of the Hanleys, and therefore there is possible value should the mark be the company's. Thus, if the December 2019 transfer was effective, the company received no consideration for what might be an asset of value. If it was not effective, then the company remained in control of this asset, which the administrators say they never sold. As I say, whether they actually did or not is a matter of objective interpretation of the contract and not a matter for me today. Thus, it is perfectly possible that title remains with the company, but that if it does not there may be a claim against those who gave the administrators the information on the basis of which they decided to sell on the terms that they did. That is even leaving aside the complexity as to ownership, Mr Hanley's unspecific evidence as to that and indeed, apparently, his father's claim to it as well. We are left with a lot of unknowns and no definite case from Mr Hanley.
34. As to value there is another indicator, which is that Barclays chose to take the mark as part of its security, and I fail to see that it is very likely that it did so not believing that the mark was of any value at all. The point can be made that were it to come to litigation then the mark was charged to Barclays. But Barclays was not owed in this context of £5 million of unsecured creditors a vast amount of money, some £875,000 I think, and it has received most of it.
35. Therefore, I conclude on the evidence I have in front of me that there are legitimate investigations to be made, and that therefore Sir Stelios' evidence that he wants

investigations to be carried out is acceptable to the court, and that purpose is not outweighed in the balancing exercise by the number of other issues raised by Mr Hanley. I am not going to go through all of those, with respect, at this time, but it is right to note that there have been put on the petitioner's website or websites associated with it derogatory comments about the Hanleys; Sir Stelios says they are not to be understood that way; the resolution of that is not for now.

36. It is also right to say that as Sir Stelios acknowledges the petitioner is one which enforces its IP rights vigorously in its own commercial interests. There has indeed been 20 years of litigation between the parties, not all going one way I should say. The Hanleys and their companies have also asserted rights against the petitioner and its entities. The petitioner or those connected with it made some attempts to have the Hanleys disqualified as directors by writing directly to the Insolvency Service. That of course did not work, but it shows a degree of animus which might be thought to stand outside ordinary commercial practice. As I say, those are all very well, but we are left in my judgment with a kernel of proper purpose for the benefit of the creditors as a class. That is the more so, because Sir Stelios confirms that if the company is placed into liquidation, then it is the petitioner's intent to fund the investigations by the liquidator. On what precise terms that would be we do not know, but then we do not know who the liquidator is going to be either.
37. It is, further, not a ground for identifying any particular individual benefit that the outcome of those investigations might be that the petitioner acquires from the company the IP. So it may. Mr Hanley says it not infrequently does that in compromise of litigation. There might be many other purchasers as well; and there may be no IP to be sold. Instead, it is, I have already intimated, possible the investigations will result in a claim against the directors, who will include the Hanleys. That might satisfy some personal whim of Sir Stelios, although there is no direct evidence as to that; but it is also, again, for the benefit of the creditors as a body; and therefore I reject the abuse of process argument raised by Mr Hanley.
38. Without more, then, I would be making a winding up order. The more is the question of restoration and whether it is just to restore the company in order for it to be wound up. As I have already indicated, I do think that, save in exceptional circumstances, this

is, in the context of a double-barrelled order, a mechanical provision rather than some separate set of tests. Perhaps put another way, there is an overlap between the factors that we have already taken into account and whether it is just to restore this company in order to be wound up, the petitioner falling within those capable of applying for restoration as contingent creditor under the assignment. I can see no separate basis on which such restoration could properly be refused. It is there to enable the benefit to be carried through, which I have already identified; and for those reasons I intend to make the order on terms which I will now discuss with counsel.

**Epiq Europe Ltd** hereby certify that the above is an accurate and complete record of the proceedings or part thereof.

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**This transcript has been approved by the Judge**