

purchaser had no notice till after he had bought in good faith and got a transfer. After this he received notice from plaintiffs of the trust in his favour, and thereon registered the transfer, which registry was necessary to complete title: held entitled against the plaintiff. This case was commented on in *Roots v. Williamson*, 38 Chy.D. 485, and distinguished from that case on the ground that it did not appear the company had notice of breach of trust before the transfer sent for registry, which was the case in *Roots v. Williamson*, and that in *Dodd v. Hills* the purchaser completed his inchoate right by registry, and so acquired a legal title as against the plaintiff's equitable title, whilst the defendant in *Roots v. Williamson* never obtained registry. In that case W. held shares in trust for plaintiff, and as security for his indebtedness to defendants executed a transfer to them, delivering also the certificate of ownership. The defendants did not comply with what was requisite to obtain registry as owners. The company received notice from plaintiff of her claim, and subsequently declined to register. Held, that defendants had not a complete legal title, and that plaintiffs prior equitable right prevailed over the inchoate right of defendants. It was remarked in the judgment that the transfer was not on a sale, but to secure a debt.

It seems to be a not uncommon practice in England for the corporation to notify the person registered in their books as owner when a transfer as from such person is brought for registry. In *Societe Generale v. Walker*, 11 App. Ca. 20, Blackburn, L.J., stated that even if a transfer were in order and accompanied by the certificate, if any, the company were not bound to register at once, and entitled to delay to make reasonable enquiries before registering, and that such was the general practice, as he believed. It was not necessary, he said, to consider whether the company were bound to enquire.

This last case was one involving the law as to incomplete transfers in blank, fraud in making two transfers, conflicting equitable rights of the transferees, effect of certificates of ownership, and of their delivery to, and production by, one of the two transferees. Selborne, L.C., advised the House of Lords as to their judgment; and Stirling, J., in *Roots v. Williamson* (of which the facts are given above) said, "the following propositions were sanctioned by His Lordship's authority in that case:

"1. A mere inchoate title by an unregistered transfer is not equivalent, for the purpose of defeating a pre-existing equitable title, to a legal estate in the shares.

"2. The title by transfer is to be deemed inchoate only (within the meaning of the last proposition) until (at the earliest) all necessary conditions have been fulfilled to give the transferee, as between him and the company, a present absolute unconditional right to have the transfer registered.

"3. A company which, before a transfer has ceased to transfer an inchoate title only, receives notice of a prior equitable title, is not necessarily bound to act on such transfer, so as to effectuate a fraud till then incomplete."

The expression in the third proposition "before a transfer has ceased to transfer an inchoate title" means, it is apprehended, so long as a perfect transfer is not registered, and is such as to give the transferee the right named within the second proposition: thus, for instance, if registry of a perfect transfer should