



Company Names and Trade Mark Infringement - The UK Company Names Tribunal

The Company Names Tribunal (CNT) was established on 1 October 2008 in order to provide brand owners with a cost-effective method of enforcing their trade marks against the registration of similar company names. The CNT has proven a useful tool against so-called “opportunistic” company name registrations, although there are some limitations to what it can achieve.

Background

Prior to the operation of the CNT, brand owners could object to the registration of identical or similar company names in the UK either by complaining to Companies House (the UK Company Registry) or by bringing proceedings for registered trade mark infringement.

An objection to Companies House could be made under Section 67 of the UK Companies Act 2006, but only where the company name was identical to or “too like” an existing company name. Where the concept of “too like” only encompasses very minor differences, such as the plural form of a singular word or the addition of “(UK)”, objections were rarely upheld.

Proceedings before the CNT

The Companies Act 2006 was amended to enable brand owners to bring proceedings before the CNT under new Section 69. This section provides that proceedings may be brought by any brand owner, at any time, where a UK registered company name, the name of a limited liability partnership (LLP) or the name of an overseas company registered in the UK is either (1) the same as a name associated with the brand owner in which he enjoys goodwill or reputation in the UK or (2) sufficiently similar to such a name that its use in the UK would be likely to mislead by suggesting a connection between the registered company and the brand owner. Proceedings are made by way of an official application form CNA1, on payment of a fee of £400.

Section 69 requires the brand owner to demonstrate that the registration of the company name is “opportunistic” i.e that its main purpose is to take advantage of the goodwill or reputation in the brand owner’s trade mark. The most common examples of “opportunistic” registrations are where the company name mirrors that of a well-known brand which the registrant plans to sell to the brand owner, or the registrant hears of a proposed merger and registers the likely name of the merged entity.

If the brand owner can meet the requirements of Section 69, his complaint will be upheld unless the respondent can demonstrate that:

1. the disputed company name was registered before the start of the activities on which the complaint relies to show goodwill;
2. the respondent is operating under the name or is proposing to do so and has incurred substantial start up costs, or was formerly operating under the name and is now dormant;
3. the disputed name was registered in the ordinary course of a company formation business and the company is available for sale to the complainant on the respondent’s standard terms of business;
4. the disputed name was adopted in good faith; or
5. the interests of the complainant are not adversely affected to any significant extent.

Where the respondent relies on any of the first 3 defences listed above, the objection will still be upheld where the brand owner can demonstrate that the main purpose of the company registration was either to obtain money from them or prevent them from registering the name. A defence is filed by way of official form CNA2, on payment of a fee of £150.

Where the respondent does not file any defence, for which a period of 2 months is usually allowed, the Company Names Adjudicator will make a written decision on the basis of the complaint as filed. Where a defence is filed, the parties will be invited to file evidence and can request an oral hearing. Where the adjudicator allows the application, the respondent will usually be granted 1 month to change its company name or appeal the decision. If no appeal is filed and the company name is not changed in the period specified, the adjudicator will allocate a new company name within 2-4 weeks, usually the registered company number, e.g. 123456 Limited. Where brand owners provide advance notice of their intended complaint and are successful before the CNT, they will usually be awarded a small contribution towards their costs. However, the costs of enforcement are likely to significantly outweigh the costs award, especially if the respondent is based overseas.

Comment

Of the 958 cases decided by the CNT from October 2008 to September 2018, 870 have been undefended, resulting in success for the applicant. Of the 88 cases which were defended, 56 still resulted in success for the applicant. The overall success rate for applicants therefore stands at approximately 97%.

The low cost and fast turnaround of both the proceedings and enforcement action, means that an application to the CNT represents a useful tool by which brand owners can enforce their marks. However, where the respondent has already started to trade under their company name and/or has incurred substantial start up costs, traditional trade mark infringement proceedings are likely to be a more appropriate remedy. Brand owners would

therefore be well advised to operate a watching service for

company names and LLPs so they can act quickly before the CNT.

For more information, please contact:

Tom Albertini – talbertini@jakemp.com

Ben Mooneapillay – bmooneapillay@jakemp.com

James Fish – jfish@jakemp.com

Charlotte Stirling – cstirling@jakemp.com