

O-067-17

Companies Act 2006

In the matter of application No 1114 by Really Good Domains Ltd for a change to the company name of Contract Hire and Leasing Limited registered in Scotland under No SC485519.

1. Contract Hire and Leasing Limited (“the respondent”) was incorporated under that name on 29 August 2014.
2. On 4 March 2016, Really Good Domains Ltd (“the applicant”) applied for an order under section 69 of the Companies Act 2006 (“the Act”) for the company name to be changed.
3. Section 69 of the Act states:

“(1) A person (“the applicant”) may object to a company’s registered name on the ground—

(a) that it is the same as a name associated with the applicant in which he has goodwill, or

(b) that it is sufficiently similar to such a name that its use in the United Kingdom would be likely to mislead by suggesting a connection between the company and the applicant.

(2) The objection must be made by application to a company names adjudicator (see section 70).

(3) The company concerned shall be the primary respondent to the application.

Any of its members or directors may be joined as respondents.

(4) If the ground specified in subsection (1)(a) or (b) is established, it is for the respondents to show—

(a) that the name was registered before the commencement of the activities on which the applicant relies to show goodwill; or

(b) that the company—

(i) is operating under the name, or

(ii) is proposing to do so and has incurred substantial start-up costs in preparation, or

(iii) was formerly operating under the name and is now dormant;
or

(c) that the name was registered in the ordinary course of a company formation business and the company is available for sale to the applicant on the standard terms of that business; or

(d) that the name was adopted in good faith; or

(e) that the interests of the applicant are not adversely affected to any significant extent.

If none of these is shown, the objection shall be upheld.

(5) If the facts mentioned in subsection 4(a), (b) or (c) are established, the objection shall nevertheless be upheld if the applicant shows that the main purpose of the respondents (or any of them) in registering the name was to obtain money (or other consideration) from the applicant or prevent him from registering the name.

(6) If the objection is not upheld under subsection (4) or (5), it shall be dismissed.

(7) In this section “goodwill” includes reputation of any description.”

4. The applicant states that the names associated with it which has caused it to make the application are Contract Hire And Leasing, and contracthireandleasing.com. The applicant claims that it is the UK’s foremost online business which advertises and compares deals for the leasing of vehicles. The applicant states that the sole director of the respondent, David Langdon, was also a director of a company which used to be one of the applicant’s customers. That relationship went sour and there was a dispute over outstanding invoices. The company name was subsequently registered on 29 August 2014 and the day after, the applicant received an email from Mr Langdon telling it that it was no longer able to use the Contract Hire and Leasing name. A copy of the email is enclosed with the application to this Tribunal (Annex W), and was later filed as evidence.

5. The respondent filed a defence and counterstatement, which was signed by David Langdon. As the respondent did not file any evidence, we reproduce the counterstatement here, verbatim:

“I disagree with the statements supplied by Really Good Domains.

This company have stated that I am being vindictive registering my company name because of a disagreement in 2012 regarding a different company. This is an absolute false accusation.

Before I registered my company, I contacted Companies House and Trading Standards and as advised by both that I checked the name I selected was not registered or trademark registered, which it wasn’t and I registered my business in August 2014.

I selected the name as I specialise in contract hire and leasing vehicles.

On discussion with a solicitor representing Really Good Domains I have agreed to a constant ticker message on my website stating that my business

has no connection with either Really Good Domains or Contract Hire and Leasing.com this has been there since the day I spoketo them

I thoroughly checked with all authorities before registering my company.

I have spent a lot of time and money setting up my business.

The name was neither trademarked nor registered as a company, at no time did anyone indicate I could not use this name when starting up my company.

I hope you will deny Really Good Domain's request against my company, which is my livelihood and consider any decisions that would be detrimental to my business

I deny that I have been vindictive and that I am trying to make money out of their name.

I have clearly stated on my website I have no association with either of their companies.

The name Contract Hire and Leasing Ltd was available for anyone to register at Companies House.

Really Good Domains could have registered the name the same as I did.

I was advised by Freeth's Solicitors that they had the name trademarked if this is true could you request that they produce the trademark prior to August 2014.

I have followed all procedures as advised, I checked everything out and believe I followed procedures correctly or I would have been unable to register the company name.

I do not believe I should be asked to change my company name.

The name was completely adopted in good faith. Really Good Domains had the same chance as anyone else to register this name and decidednot to do so.

(1) The applicant will not be affected by our company being registered with this name. We have clearly stated we have no association with them.

(2) We have substantial costs in setting this business up, and went through all the checks with organizations including companies house, trading standards and the trademark department, before setting up the business.

(3) As far as the applicant stating that I am being vindictive in starting up this company is far from the truth.

(4) As far as I am concerned the disagreement in 2012 was settled by both parties in my opinion amicably.

I hold no grudges against anyone maybe it is the applicant that is trying to be vindictive and holding a grudge for something that their company caused and in my view and was settled amicably.”

6. Only the applicant filed evidence. The applicant is professionally represented, whilst the respondent is self-represented. The parties were given a choice as to whether they wished to be heard prior to a decision being taken on the merits of the case or whether they wished for a decision to be made from the papers filed. Neither chose to be heard. The applicant filed written submissions in lieu of a hearing. The respondent also filed written submissions, to which the applicant objected on the basis that some of the contents contained facts, which had not been filed as evidence previously (when the respondent was given the opportunity to file evidence), and had not been the subject of a request to file evidence after the evidence rounds had closed.

7. A case management conference was held with the parties on 1 February 2017. Mr Langdon represented the respondent, and Stuart Lester, of Freeths LLP, represented the applicant. The nature, purpose and formality of evidence was explained to Mr Langdon, as was the unfairness of filing facts to which the applicant did not have an opportunity to respond. Mr Lester said that if the respondent wished to put its submissions into proper evidential format, the applicant would not object, provided that it had an opportunity to respond, which would not take long, in Mr Lester’s opinion. Mr Langdon was advised that if the respondent wished to rely upon the facts contained in its written submissions, it must file them in proper evidential format, as the applicant had done, in a witness statement with a statement of truth.

Mr Langdon was also advised that there would be a statutory fee of £150 to pay, just as the applicant had paid when it filed its evidence. Mr Langdon declined to file the submissions as evidence and accepted that we would not take into account points 1, 2, 9, 10, 11, 12 and 13 of the respondent's written submissions in making this decision. For completeness, the respondent's submissions are reproduced here (with marks next to the points which were considered to be facts):

- (1) I fully checked that this name was available and legal to use
- (2) This company name was used by another company from 26/10/2006 till 02/11/2010 company reg number 05978872 dissolved
- (3) This name was available to anyone in this time including the applicant who did not apply for it
- (4) I have asked for back up on their untruthful statements which have not been supplied
- (5) I disagree with the statements supplied by Really Good Domains and deem them to be fabricated and untrue.
- (6) I deny that I have been vindictive and that I am trying to make money out of them in using my registered name
- (7) This company have stated that I am being vindictive registering my company name because of a disagreement in 2012 regarding a different company. This is an absolute false accusation.
- (8) This name was completely adopted in good faith as a name in the field of my business. Really Good Domains had the same chance as anyone else to register this name and decided not to do so.
- (9) Before I registered my company, I contacted Companies House and Trading Standards and as advised by both that I checked the name I selected was not registered or trademark registered, which it wasn't and I registered my business in August 2014.
- (10) I selected the name as I specialise in contract hire and leasing vehicles.
- (11) On discussion with a solicitor representing Really Good Domains I have agreed to a constant ticker message on my website stating that my business has no association with either Really Good Domains this has been there since the day i spoke to them
- (12) I thoroughly checked with all authorities before registering my company.
- (13) I have spent a lot of time and money setting up my business.
- (14) The name was neither trademarked nor registered as a company; at no time did anyone indicate I could not use this name when starting up my company in this case no one could advertise the slogan contract hire and leasing.
- (15) I hope you will deny Really Good Domains request's against my company, which is my livelihood and consider any decisions that would be detrimental to my business
- (16) I have no gripe with anyone including really good domains advertising using this name as there is thousands of brokers use this as a advertising point
- (17) We are a one man band company trying to make a living we followed all the rules and asked all the authorities if the name was ok to register we checked the trademarks and companies house for anything that would not allow us to use the name we followed the procedure that companies house told us to follow bu checking the name out with trademark and others like trading standards.

8. We make this decision following a careful study of all the papers filed in these proceedings.

Applicant's evidence

9. The respondent has not denied that the applicant has a reputation/goodwill in the names associated with it. Nevertheless, for good order, we will assess whether the applicant is entitled to bring the complaint. The applicant's evidence comes from

David Timmis, who is Managing Director of the applicant, which trades under the name Contract Hire And Leasing. His witness statement is dated 29 June 2016. The main points from his evidence which relate to the reputation/goodwill of the names Contract Hire And Leasing and contracthireandleasing.com (together, “CHAL”) are as follows:

- CHAL has been used via a website for 16 years: exhibit DT1, from the Internet archive, the Wayback Machine, shows screenshots from the website for every year since 2003. In 2015, the website had over 5.4 million user sessions, with approximately 3 million deals advertised at any one time from hundreds of brokers and car dealers. Statistics showing the number of visits to the website are shown in exhibit DT2.
- The applicant runs an annual award for the best deals offered via its website. These are promoted by car manufacturers on their websites and wider motor industry websites run stories about the winners, referring to CHAL. Some examples of winners are shown in Exhibit DT4, such as Peugeot, Audi, Fiat and Renault. DT5 includes evidence that CHAL is one of the sponsors for the Motor Trader Industry Awards, alongside e.g. AA, Autotrader and Blackhorse. A photograph of the 2015 awards ceremony shows CHAL as being highly visible above the stage.
- CHAL has been publicly endorsed by industry experts, such as by Quentin Wilson in an article in the Sunday Mirror on 6 July 2014 (Exhibit DT7), and by Peter Lawton in whatcar.com, where CHAL was referred to as “current Daddy” of car hire and leasing. Examples of press articles mentioning CHAL are shown in Exhibit DT14.
- The applicant spent half a million pounds advertising the CHAL website in the year to March 2015. It regularly advertises in major motor industry publications: Automotive Management Magazine, Motor Trader, Car Dealer Magazine, Motor Trade News and Fleet News. Advertising has also included radio campaigns on TalkSport, Heart, Total Absolute and LBC UK in 2015, with an estimated audience of 9.5 million people over a 6 week period (Exhibit DT10). Banners carrying CHAL were prominently displayed around the pitch at a football match between Manchester City and Crystal Palace on 6 April

2015 (photographs are shown in Exhibit DT11). This match was shown on television. Further examples of advertising are shown in Exhibit DT12, such as:



2 Feb 2015 - 2 March 2015
M5/M6/Birmingham

- CHAL has teamed up with *The Telegraph* so that readers of the newspaper can access the CHAL services via the paper's website (Exhibit DT13).

10. Mr Timmis states that Mr Langdon/Ace Vehicle Leasing Ltd was in dispute with the applicant in 2013 over unpaid invoices. Exhibited at DJT21 are emails sent in April and May 2013 in which Mr Langdon addresses the applicant as "dear contract hire and leasing". Mr Timmis states that the dispute ended when the applicant wrote off the debt owed by Ace Vehicle Leasing Ltd, following which the respondent was incorporated, on 29 August 2014. On 30 August 2014, Mr Langdon emailed the applicant to say that the applicant was no longer able to use the Contract Hire And Leasing name as a result of his (i.e. the respondent's) new company name registration (the email is exhibited at DJT22). Mr Timmis states that the applicant decided not to engage with the respondent because Companies House records indicated that the respondent was dormant.

11. Mr Timmis states that, shortly before the applicant filed its complaint to this Tribunal, the applicant discovered that the respondent had launched a website at the

domain name contracthireandleasing.org.uk, advertising its business under the name Contract Hire And Leasing Limited. The website was exactly the same as Ace Vehicle Leasing Ltd's website, save for the rebranding as Contract Hire And Leasing Limited. Archive screenshots showing this are at Exhibit DJT23. The launch of the respondent's website prompted the applicant to file complaints to Nominet (in relation to the domain name) and to this Tribunal.

12. Nominet delivered its decision on 18 April 2016. The Independent Expert found that the respondent had registered the names contracthireandleasing.org.uk and contracthireandleasing.me.uk abusively:

On the basis of the foregoing, the Expert finds that the Complainant has used the names and *de facto* trade marks "Contract Hire And Leasing" (usually with ".com" appended) and "contracthireandleasing.com" for about 15 years; that they have been used to a significant degree, having received more than a million website visitors as long ago as in 2007; and that they are associated by the public with the Complainant, as exemplified by the reference by Peugeot to "the UK's number one leasing website". The term has acquired a secondary meaning. Solely for the purposes of this proceeding, the Expert finds the Complainant to have sufficient rights in the names and trade marks "Contract Hire And Leasing" (with or without ".com" appended) and "contracthireandleasing.com" to satisfy the requirement of paragraph 2(a)(i) of the Policy.

...

More specifically, in the terms of paragraph 3(a)(i)(A) of the Policy, the Respondent concedes that it offered to sell its company to the Complainant. In context this may reasonably be interpreted as a mechanism whereby the offer to the Complainant was to include a transfer of the Domain Names (access to the company name being of no concern in this proceeding) and, given the tone of this dispute, that the Domain Name transfer element of the transaction would have equated with a price in excess of the Respondent's out-of-pocket costs of their registration.

In terms of paragraph 3(a)(i)(B) of the Policy, on the evidence, the Expert finds on the balance of probabilities that one of the Respondent's intentions was to block the Complainant from the opportunity to express its trading name with the ".org.uk" and ".me.uk" directory extensions.

Under paragraph 3(a)(i)(C) of the Policy, the Expert finds it clear from the evidence that registration of the Domain Names was done with the intention of contributing to the unfair disruption of the Complainant's business.

13. Mr Timmis also provides details of mailshots which the respondent has sent out. This could, potentially, have provided the respondent with the defence that it was operating at the relevant date (section 69(4)(b)(i)); however, the example mailshot is dated 27 June 2016 (Exhibit DJT27), which is after the relevant date.

Decision

The applicant's goodwill

14. Under the provisions of section 69(1) of the Act, if the respondent defends the application, as here, the applicant must establish that it has goodwill or reputation in relation to a name that is the same, or sufficiently similar, to that of the respondent's company name, suggesting a connection between the company and the applicant. If this burden is fulfilled, it is necessary to consider if the respondent can rely upon defences under section 69(4) of the Act. Section 69(7) provides that goodwill includes reputation of any description. The relevant date for the assessment of goodwill is the date of the application which is 4 March 2016.

15. In *IRC v Muller & Co's Margerine Ltd* [1901] AC 217, Lord Macnaghten defined goodwill thus:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation, and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.

16. It is clear from the evidence that Contract Hire And Leasing and contracthireandleasing.com are the key names that the applicant uses to identify itself. It is also clear to us, from the evidence, that the applicant enjoyed a significant level of goodwill and reputation at the relevant date, owing to the magnitude of its website traffic, the sizeable promotional figures, public exposure through advertising hoardings, press reports, radio advertisements, and industry and football sponsorship. We conclude that, as of 4 March 2016, the applicant had a strong reputation and goodwill in the UK associated with the names Contract Hire And Leasing and contracthireandleasing.com.

Whether the names are the same or similar

17. The next part of section 69(1) of the Act requires that the names be the same (69(1)(a)) or, alternatively, that there is sufficient similarity so that the respondent's company name suggests a connection between the respondent and the applicant (69(1)(b)).

18. The comparison to be made is between the applicant's names, Contract Hire And Leasing and contracthireandleasing.com, and the respondent's company name which is Contract Hire and Leasing Limited. The presence of the word "Limited" in the respondent's name is to be excluded from the comparison because a company designation is required for a company incorporated in the UK (other than in certain excepted circumstances). The respondent's name is identical to the applicant's name Contract Hire And Leasing, under section 69(1)(a). It is also very similar to the other name on which the applicant relies, contracthireandleasing.com; the only difference being the addition of .com which is a top level domain and would be viewed as such. The respondent's name is sufficiently similar to the applicant's name contracthireandleasing.com that its use in the UK would be likely to mislead by suggesting a connection between the respondent and the applicant, under section 69(1)(b) of the Act.

19. As the grounds specified in subsections 69(1)(a) and (b) are established, the onus switches to the respondent to establish whether it can rely upon any of the defences set out in section 69(4) of the Act (set out in paragraph 3 of this decision). The contents of the counterstatement are reproduced in paragraph 5 of this decision. We can only consider defences which are pleaded in the counterstatement and we can only consider defences which fall within the parameters set out in section 69(4) of the Act.

20. The counterstatement claims the defences of good faith (section 69(4)(d)); that the interests of the applicant are not adversely affected to any significant extent (section 69(4)(e)); and that the company is proposing to operate and has incurred substantial start-up costs in preparation (section 69(4)(b)(ii)). These points are

repeated in the respondent's written submissions (reproduced at paragraph 7 of this decision).

21. These proceedings are adversarial. This means that each side must factually prove the claims and defences upon which it relies. Facts must be filed as evidence, as was explained to Mr Langdon in the case management conference. Mr Langdon/the respondent chose not to file evidence. This means that the respondent has not proven that it can rely upon the defences in the counterstatement.

22. Even if the respondent could have relied upon the full contents of its written submissions, the points contained therein consist entirely of assertions, which have not been supported by documentary evidence or a narrative explanation. For example, in relation to the defence that substantial start-up costs in preparation for operating have been incurred, evidence needs to be provided showing what has been done and how much time and money has been spent.

23. It is difficult to conceive how the defence that the interests of the applicant are not adversely affected to any significant extent could succeed since the names are either identical or very similar and Mr Langdon/the respondent states that he specialises in the same trade as the applicant. There would undoubtedly be confusion and, therefore, a connection made between the respondent and the applicant. In any event, there is no evidence showing the website ticker message or how it appears on the website, which is the sole basis for the defence that the interests of the applicant are not adversely affected to any significant extent. Even if there was, it would be unlikely to be material because such a message can be altered or removed at any time.

24. Names which are very similar to one another are accepted on the company names register. Searching the trade mark register and drawing a blank does not mean that the chosen company name is not being used as a trading name. Many entities use trading names and signs associated with their businesses without registering them as trade marks. In the face of the applicant's evidence showing that Mr Langdon already knew of the names associated with the applicant prior to

incorporating the respondent, there is nothing to support the defence of good faith. Mere assertion is insufficient.

Outcome

25. Accordingly, the application succeeds. In accordance with section 73(1) of the Act, we make the following order:

- (a) Contract Hire and Leasing Limited shall change its name **within one month** of the date of this order to one that is not an offending name. An “offending name” means a name that, by reason of its similarity to the name associated with the applicant in which it claims goodwill, would be likely to be the subject of a direction under section 67 (power of Secretary of State to direct a change of name), or to give rise to a further application under section 69;
- (b) Contract Hire and Leasing Limited shall:
 - (i) take such steps as are within its power to make, or facilitate the making, of that change;
 - (ii) not to cause or permit any steps to be taken calculated to result in another company being registered with a name that is an offending name.

26. In accordance with s.73(3) of the Act, this order may be enforced in the same way as an order of the High Court or, in Scotland, the Court of Session.

27. In any event, if no such change is made within one month of the date of this order, we will determine a new company name as per section 73(4) of the Act and will give notice of that change under section 73(5) of the Act.

28. Really Good Domains Ltd, having been successful, is entitled to a contribution towards its costs, which are assessed on the scale of costs published in the Company Names Tribunal Practice Direction.

29. We order Contract Hire and Leasing Limited to pay Really Good Domains Ltd the sum of £1550. The costs are calculated as follows:

Preparing a statement and considering the respondent's statement	£300
Preparing evidence	£600
Filing written submissions in lieu of a hearing	£100
Expenses (official fees for the Form CNA1 and one Form CNA3)	£550
Total	£1550

30. This sum is to be paid within fourteen days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

31. Any notice of appeal against this decision to order a change of name must be given within one month of the date of this order. Appeal is to the High Court in England, Wales and Northern Ireland and to the Court of Session in Scotland.

32. The company adjudicators must be advised if an appeal is lodged, so that implementation of the order is suspended.

Dated this 15th day of February 2017

Judi Pike

Company Names

Adjudicator

Mark Bryant

Company Names

Adjudicator

Chris Bowen

Company Names

Adjudicator