

Companies Act 2006

**In the matter of application No. 581
By EBS ELK LTD & ELK-FERTIGHAUS AG**

**For a change of the company name of registration
No. 07918064**

Background, Claims and Defences

1. The company ELK BUILDING SERVICES LTD (“the respondent”) was incorporated on 20 January 2012 under number 07918064.

2. By an application filed on 29 May 2013, EBS ELK LTD and ELK-FERTIGHAUS AG (“the applicants”) applied for a change of name of this company under the provisions of section 69(1) of the Companies Act 2006 (“the Act”).

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 those 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.”

3. The applicants state that:

- the name ELK is associated with EBS ELK Ltd in the United Kingdom and with ELK Fertighaus AG in Europe;
- the letters EBS refer to “Efficient Building Systems”;
- they are members of the ELK Group who have establishments or subsidiaries in Austria, Germany, Switzerland, Czech Republic, Hungary and the United Kingdom;
- EBS ELK Ltd (no. 7363404) was incorporated and registered on 2 September 2010;
- since commencing business in 2010, EBS ELK Ltd has worked on 12 projects in the United Kingdom and constructed over 100 units;
- for the period 1 September 2010 to 31 March 2011, the turnover of EBS ELK Ltd was £368,488 and in the year ending 31 March 2012, turnover increased to £3,317,724;
- EBS ELK Ltd was established to be the leading supplier in the United Kingdom of off-site manufactured buildings;
- EBS ELK Ltd has an exclusive partnership with the ELK Bien Zenker Group (“the ELK group”) who is a shareholder in EBS ELK Ltd;
- headquartered in Austria, the ELK Group is the European market leader in off-site manufactured construction. It has 1630 employees in 5 factories in Germany, Austria and the Czech Republic. The ELK group has more than 40 years of experience and has built more than 70,000 units;
- in 2011, the total turnover of the ELK Group was €251m;

- for the past three years, they have exhibited at the Ecobuild Conference held annually at the Excel Centre in London. The Ecobuild Conference is the “world’s biggest event for sustainable design, construction and built environment” and the United Kingdom’s largest construction event. It has approximately 1000 exhibitors and over 45,000 people attended the three day event in 2013;
- they have also exhibited at the Chartered Institute of Housing Conference in 2011 and 2012. The conference is held annually in Brighton and is the largest of its kind in the region attracting over 1000 attendees from across London and the South East;
- they have extensive goodwill and reputation both in the United Kingdom and Europe in the field of building and construction, in particular industrialised prefabricated construction;
- the respondent’s name contains their distinctive ELK name. The additional elements BUILDING SERVICES are descriptive and would be overlooked by the average consumer. These descriptive words serve to indicate that the respondent is likely to be in the same field of business as them;
- although they have been unable to locate any evidence of use of the respondent’s name , if the respondent were to carry on the business as described, it would be in direct conflict with their goodwill and reputation;
- the respondent’s name can be abbreviated to EBS, which would increase the likelihood of confusion with EBS ELK in the United Kingdom.

4. The applicants request that the tribunal make an order under section 73 of the Act, requiring the respondent to change its name to a non-offending name. The applicants state that they first became aware of the respondent in or around November 2012. As indicated above, enquiries revealed no use or operation of the respondent. The applicants’ representatives wrote to the respondent on 14 January 2013, asking it to change its name and not to use the name ELK in relation to building services. As the respondent did not respond by the deadline set, a reminder was sent, to which it did not respond. We note that both the applicants’ letter of 14 January 2013 and the letter of undertaking which accompanied it, made specific reference to an application to this tribunal.

5. The respondent filed a Notice of defence (completed by its director Nigel Baker) attached to which were a number of printouts obtained from the Internet. Rule 9(1) of The Company Names Adjudicators Rules 2008 (“the rules”) provides that evidence can be given as a witness statement, affidavit, statutory declaration “or in any form which would be admissible as evidence in proceedings before the court”. As this would include attachments to statements of case which are verified by a statement of truth by an individual with knowledge of the facts (as is the case here), this evidence can be taken into account; we will return to the contents of these printouts below.

Having stated:

“I deny any of [the applicants] representation about my use of the company name”,

Mr Baker further states:

“I do not believe that my company poses any threat to [the applicants] on the grounds of “passing off” association of name due to the fact that:

- A) My company does not work in the same business as [the applicants] and therefore does not pose any threat to their product good will.
- B) My company is a single man workforce.
- C) My company does not have any marketing tools such as web pages/catalogues/trade stalls etc. which could (sic).
- D) The claim that my companies name could indicate that we are in the same line of business as [the applicants] is ridiculous as anyone who knows will understand an elk to be a wild animal name and not a name known for building products and get confused...
- E) My company was set up as elk building services in January 2012 prior to the “elk business systems ltd” registration in July 2012.
- F) My company does not have any logo which can confuse anybody into thinking our companies are the same.
- G) If [the applicants] can prove that they have lost any business by their passing off claim they should formalise proof of this loss and hand it to “the company names tribunal” I would suspect they cannot.
- H) My office is based in a small office in South Wales and [the applicants] offices do not exist in Wales.
- I) If the words “ELK BUILDING” are typed in Google or Yahoo the 2 most common search engines my business does not appear on at least the first 2 pages.
- J) There has been no claim by [the applicants] that they had an infringing act by my company which has cost them business.
- K) The [applicants’] company is as I see it “EBS ELK/ELK Fertigauss Aktiengesellschaft” this name does not really bear any resemblance to my simple company name which when set up was based on a pop band I play guitar in called “ELK REDEMPTION” that’s as simple as it gets when I chose the company name, on a whim when I met my accountant.”

6. Both parties filed evidence; the applicants also filed written submissions dated 13 June 2014. Neither party requested a hearing or filed written submissions in lieu of attendance at a hearing.

The applicants' evidence

7. This consists of a witness statement from Marcus Ramsauer, the Chief Financial Officer of Elk Fertighaus GmbH. Mr Ramsauer explains that he has over 10 years experience in the building and construction industry; he has worked for his company since 2006 and held his current position since July 2013. The main points emerging from Mr Ramsauer's evidence are:

- his company is part of the ELK Group and a shareholder in EBS ELK Ltd in the United Kingdom;
- the ELK Group have establishments or subsidiaries in Austria, Germany, Switzerland, Czech Republic and the United Kingdom. Exhibit A consists of an organisational chart of the ELK Group in support (which appears to be undated);
- his company has its headquarters in Austria, but services, inter alia, the whole of Europe;
- the ELK Group is one of the European market leaders in off-site manufactured construction. It operates production sites in Austria, Germany and the Czech Republic and has in excess of 1,300 employees;
- the ELK Group has built more than 70,000 units making ELK a leader in its field in Europe;
- although EBS ELK Ltd was not incorporated until September 2010, his company had already started selling its products to the entire United Kingdom market, including Wales, as early as 2009;
- his company and the whole of the ELK Group specialise in the industrial production of prefabricated houses in timber frame technology as well as log houses. Its product range includes family homes and villas, multi-storey residential buildings and commercial buildings;
- all elements of the prefabricated houses are built in its factories and then shipped to the location where they are assembled;
- in addition to the prefabricated houses, it also provides ancillary design and consultancy services in relation to building and construction. Exhibit C consists of what appears to be an undated brochure, the front page of which bears, inter alia, the following:



This image (absent the words “efficient building structures”) appears at the top right hand side of each page. At the bottom of each page there appears a reference to “EBS elk Ltd 2nd Floor, 7 Elm Grove, Wimbledon, London, SW19 4HE, Tel: 020 8971 2999” and to “E-mail: David.Craddock@ebselk.co.uk” and “Web: www.ebsselk.co.uk.” Mr Ramsauer points out that the brochure contains references to “Initial Assessment/Design”, “Project planning and preliminary design” and “Detailed design/engineering final assessment”, which, he states includes pricing and finalising the total contract cost. He goes on to state:

“10...These services would include quantity surveying services which are the services claimed to be undertaken by the respondent”.

- the ELK Group operates under the trade mark and brand name ELK. A selection of its brand names and logos are as follows:



- in 2011, his company sold more than 1,400 houses and the total turnover of the ELK Group worldwide was €251m;
- since the establishment of EBS ELK Ltd in 2010, the ELK Group has worked on 12 projects and constructed over 100 units in the United Kingdom; he repeats the turnover figures mentioned earlier. Exhibit D consists of a copy of EBS Elk Ltd’s unaudited financial statements for the year ending 31 March 2012 which corroborates the turnover figures provided. In the year ending March 2013, EBS ELK Ltd had a turnover of £3.7m; no evidence in support (such as that shown in exhibit D) has been provided in relation to this figure;
- due to the established reputation the ELK Group enjoys, it does not undertake significant amounts of marketing and advertising. Its marketing activities are aimed at industry and commercial and private end users. It attends various

trade and construction events. Exhibit E consists of pages taken from the brochure of the ECOBUILD 2011 conference (the details of which we have reproduced above). The pages provided confirm that Elk Fertighaus AG exhibited at the conference and provides contact details for, inter alia, David Craddock at EBS elk Ltd. The entry for the applicants refers to, inter alia, “ELK remains a family business to this day. ELK has been an established presence in the European market for many years...” and “...a suitable ELK house is available for every family”. It also contains a device trade mark similar to the “ELK HÄUSER FÜR'S LEBEN” trade mark shown above;

- Mr Ramsauer confirms that the applicants also exhibited at the Chartered Institute of Housing Conference in 2011 and 2012 (details of which we have also reproduced above);
- exhibit F consists of an advertisement and press release which appeared in the June 2011 edition of *mmo modern methods of construction* magazine which, Mr Ramsauer explains, is a publication for the off-site construction industry with a circulation of 9,000 readers. The sign which appears on the front page of exhibit C can be seen as can many of the same contact details (although there are also references to www.ebselk.com and info@ebselk.co.uk). The press release refers to, inter alia, EBS elk Ltd and to the following: “We operate primarily in London and the South East of England”. It goes on to refer to “some examples of the buildings that we have built to date and which will be built in 2011”. The six properties referred to are located in Wimbledon, Barnes, Richmond, Weybridge and West Sussex;
- the first building was completed by the applicants in May 2009. Exhibit G consists of photographs of buildings completed by the applicants since 2009, the dates of which are: 19 May 2009, April and September 2010, March, May, July, September and October 2011, April, July and August 2012 and January 2013.

The respondent's evidence accompanying its Notice of defence

8. The respondent's evidence is, it appears to us, directed primarily at three points contained in its Notice of defence. The first two points are those shown as A and E at paragraph 5 above i.e.

“A My company does not work in the same business as [the applicants] and therefore does not pose any threat to their product good will.

E) My company was set up as elk building services in January 2012 prior to the “elk business systems ltd” registration in July 2012.”

9. In support, the respondent has provided printouts from a range of websites which relate to the registration of its own company name; it highlights the fact that its company was incorporated on 20 January 2012 and that its “Nature of Business” is described as “Quantity surveying activities”. It also provides printouts obtained from a number of websites in relation to ELK BUILDING SYSTEMS LIMITED (company number 08135455) which, from the information provided, appears to be another company in the applicants' group and which was incorporated on 9 July 2012 i.e. after the date of its incorporation, and to EBS ELK LIMITED (company number

07363404) which was incorporated on 2 September 2010 i.e. before its incorporation date. We shall return to point A later. In relation to point E, in their written submission, the applicants state:

“The respondent’s evidence that its company name predates the company Elk Building Systems Limited is irrelevant. The applicants do not rely on the company name Elk Building Systems Limited but rely on the goodwill in the name ELK dating back to May 2009 and the prior incorporation of EBS ELK LIMITED on 2 September 2010.”

10. Given the wording of section 69(1) of the Act, the applicants are correct when they state that the fact that the respondent was incorporated prior to ELK BUILDING SYSTEMS LIMITED has no bearing on the decision we are required to make. The third point for which the respondent has filed evidence is point I above i.e.

“If the words “ELK BUILDING” are typed in Google or Yahoo the 2 most common search engines my business does not appear on at least the first 2 pages.”

11. The remainder of the respondent’s evidence consists of Google and Yahoo searches conducted on 2 October 2013 for the words “ELK BUILDING”, with the respondent indicating that none of the pages make any reference to it. Although the “hits” provided have not been expanded, it appears to us that, as the respondent submits, none of the results refer to it. In relation to this point, in their written submission, the applicants state:

“The evidence submitted by the respondent merely serves to show the applicants’ goodwill and reputation in the words ELK in relation to building services and further evidence that the respondent has neither commenced operating nor incurred any substantial starts costs in preparation of operating.”

Although obtained after the relevant date in these proceedings, a number of the hits provided by the respondent appear to refer to the applicants. Insofar as this evidence demonstrates that the respondent is not trading, we shall return to this point below.

12. To the extent that we consider it necessary, that completes our summary of the evidence filed.

Decision

Do the applicants have the requisite goodwill or reputation in the name relied upon?

13. The applicants must establish that they have goodwill or reputation in relation to a name that is the same, or sufficiently similar to that of the respondent, suggesting a connection between them. If this burden is fulfilled it is necessary to consider if the respondent can rely upon any of the defences under section 69(4) of the Act. The relevant date is the date of application which, in this case, is 29 May 2013. The applicants must show that they had goodwill or reputation at this date in the name relied upon, which is ELK. There is, we note, no claim by the applicants to a goodwill or reputation in the letters EBS (a reference to which appears in their application).

14. Section 69(7) defines goodwill as a “reputation of any description”. Goodwill was defined by Lord Macnaghten in his classic definition in *IRC v Muller & Co's Margarine Ltd* [1901] AC 217 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. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has power of attraction sufficient to bring customers home to the source from which it emanates. Goodwill is composed of a variety of elements. It differs in its composition in different trades and in different businesses in the same trade. One element may preponderate here and another element there. To analyse goodwill and split it up into its component parts, to pare it down as the Commissioners desire to do until nothing is left but a dry residuum ingrained in the actual place where the business is carried on while everything else is in the air, seem to me to be as useful for practical purposes as it would be to resolve the human body into the various substances of which it is said to be composed. The goodwill of a business is one whole, and in a case like this it must be dealt with as such. For my part, I think that if there is one attribute common to all cases of goodwill it is the attribute of locality. For goodwill has no independent existence. It cannot subsist by itself. It must be attached to a business. Destroy the business, and the goodwill perishes with it, though elements remain which may perhaps be gathered up and be revived again.'

15. One of the requirements of goodwill is for there to be a business (normally with customers) in the jurisdiction (in this case the United Kingdom). However, section 69(7) defines goodwill as a "reputation of any description", so goodwill is not limited to the above definition. To establish a reputation, mere knowledge, of sufficient proportions, may be enough. However, it is clear from the wording of section 69(1)(b), when read in conjunction with section 69(1)(a), that the use that would give rise to indicate a connection between the company and the applicants is use of the company name in the United Kingdom, so it is implicit from this that any reputation (even if the applicants have no business in the United Kingdom) can only be relevant if the reputation is in the United Kingdom. What is important is that the applicants had goodwill or reputation in the name ELK in the United Kingdom at the date of application, 29 May 2013.

16. The joint applicants in these proceedings are EBS ELK Ltd and ELK-FERTIGHAUS AG. In his evidence, Mr Ramsauer explains that both are part of the ELK Group. However, as the evidence provided relies primarily upon use by one of the joint applicants i.e. the United Kingdom company EBS ELK Ltd, if we are satisfied that this entity has either a reputation or goodwill in the United Kingdom that will be sufficient. Mr Ramsauer's unchallenged evidence is that the ELK Group's business is as a supplier of off-site manufactured buildings and related services. The evidence indicates that although EBS ELK Ltd was not incorporated until September 2010, "products" were being sold in the United Kingdom as early as May 2009; exhibit G supports this claim. Both exhibit C (which appears to be undated) and exhibit F which dates from June 2011, bear the following image



as well as various references to EBS elk Ltd at an address in Wimbledon and to an e-mail and web address which includes the word “elk”. In addition, exhibit E refers to: “ELK remains a family business to this day. ELK has been an established presence in the European market for many years...” and “...a suitable ELK house is available for every family”. In the period 1 September 2010 to the end of March 2013, the applicants worked on at least twelve projects with turnover in this period amounting to some £7.4m. In addition, during this period the applicants promoted their business by attending the ECOBUILD and Chartered Institute of Housing Conferences; both conferences are, it would appear, significant events in the area of trade in which the applicants operate. Although, as above, the name ELK often appears as part of a composite sign, having considered the totality of the applicants’ evidence in which the name ELK is a consistent feature and is the name by which the applicants are referred to, and keeping in mind that this evidence has not been challenged by the respondent, we are satisfied that by the relevant date, the applicants had a protectable goodwill in the United Kingdom by reference to the name relied upon i.e. ELK and that this goodwill related to (at the very least) off-site manufactured buildings and related consultancy services such as design and project planning (even if it did not, as the applicants argue, extend to building and construction at large).

Are the respective names the same or similar?

17. As a company designation is a necessity for a registered company, the “LTD” element of the respondent’s name does not have a bearing upon the issue before us.¹ The comparison to be made is, therefore, between “ELK” and “ELK BUILDING SERVICES”. In relation to the goods and services upon which the applicants have established a protectable goodwill and the services which appear to be of interest to the respondent i.e. quantity surveying, we agree with the applicants that the words BUILDING SERVICES would send a purely descriptive message. Notwithstanding that conclusion, the presence of the words BUILDING SERVICES in the respondent’s name means that the competing names are not the same. However, the presence in the respondent’s name of the distinctive word ELK (which, in the respondent’s own view, has no meaning for “building products”) is, given that it is accompanied by only purely descriptive words, in our view, highly similar to the applicants’ name upon which they have established goodwill and is sufficient to mislead by suggesting a connection between the respondent and the applicants. As the ground specified in subsection 69(1)(b) is therefore established, the onus

¹ See by analogy the decision of the adjudicators in *MB Inspection Limited v Hi-Rope Limited* [2010] RPC 18.

switches to the respondent to establish whether it can rely upon any of the defences pleaded in its Notice of defence.

Defences

18. The respondent's reply to the application is shown in paragraph 5 above. Although the defence is expressed as a series of statements, none can, in our view, be construed as defences based upon section 69(4)(b) or (c) of the Act. Insofar as the former is concerned, the fact that the respondent has actually filed evidence to demonstrate that its name does not appear in various Internet searches (albeit conducted after the relevant date), appears to support the above conclusion. Section 69(4)(a) provides a defence in circumstances where the disputed name was registered before the commencement of the activities upon which the applicants rely to show goodwill. Although the respondent has provided evidence to demonstrate that it was registered before the incorporation of Elk Building Systems Ltd, as the applicants state in their written submissions, this is not relevant as in these proceedings the applicants are relying upon the use made of the name ELK from 2009 (i.e. prior to the incorporation of the respondent in 2012) and by, inter alia, EBS ELK Ltd, which was incorporated in September 2010 i.e. also before the incorporation of the respondent.

19. There is nothing in the respondent's statements to suggest that it intended to rely upon section 69(4)(b) or (c) of the Act. To the extent that the respondent considers it may rely upon the provisions of section 69(4)(a), its approach is misconceived, and its defence is dismissed.

Defence under section 69(4)(d) – the name was adopted in good faith

20. The issue of good faith turns upon the respondent's motivation and knowledge when the company was registered under the name that is being challenged. In this case this is the date of incorporation, 20 January 2012. Actions after this date may be indicative of the motivation and knowledge of the respondent. However, they cannot change the nature of the act. The burden is on the respondent to establish that its name was registered in good faith; it is not upon the applicants to establish that it was registered in bad faith.

21. In *1) Adnan Shaaban Abou-Rahmah (2) Khalid Al-Fulaij & Sons General Trading & Contracting Co v (1) Al-Haji Abdul Kadir Abacha (2) Qumar Bello (3) Aboubakar Mohammed Maiga (4) City Express Bank of Lagos (5) Profile Chemical Limited* Rix LJ commented upon the concept of good faith:

'48 The content of this requirement of good faith, or what Lord Goff in *Lipkin Gorman* had expressed by reference to it being "inequitable" for the defendant to be made to repay, was considered further in *Niru Battery*. There the defendant bank relied on change of position where its manager had authorised payment out in questionable circumstances, where he had good reason to believe that the inwards payment had been made under a mistake. The trial judge had (a) acquitted the manager of dishonesty in the *Twinsectra* or *Barlow Clowes* sense on a claim of knowing assistance in breach of trust, but (b) concluded that the defence of change of position had failed. On appeal the defendant bank said that, in the absence of dishonesty, its change of position defence should have succeeded. After a consideration of numerous

authorities, this court disagreed and adopted the trial judge's broader test, cited above. Clarke LJ quoted with approval (at paras 164/5) the following passages in Moore-Bick J's judgment:

"I do not think that it is desirable to attempt to define the limits of good faith; it is a broad concept, the definition of which, in so far as it is capable of definition at all, will have to be worked out through the cases. In my view it is capable of embracing a failure to act in a commercially acceptable way and sharp practice of a kind that falls short of outright dishonesty as well as dishonesty itself."

22. In (1) *Barlow Clowes International Ltd. (in liquidation)* (2) *Nigel James Hamilton and (3) Michael Anthony Jordon v (1) Eurotrust International Limited (2) Peter Stephen William Henwood and (3) Andrew George Sebastian* the Privy Council considered the ambiguity in the *Twinsectra Ltd v Yardley* [2002] 2 AC 164 judgment. The former case clarified that there was a combined test for considering the behaviour of a party: what the party knew at the time of a transaction and how that party's action would be viewed by applying normally acceptable standards of honest conduct. In *Harrisons Trade Mark Application ("Chinawhite")* [2004] FSR 13 Pumfrey J commented:

'14 Mr Engelman's argument was a direct challenge to the hearing officer's approach to the question of good faith, but he also objected that it was not open to the hearing officer to infer bad faith from the facts, which he maintained was contrary to the decision of the Court of Appeal in *Davy v Garrett* (1878) 7 Ch D 473 at 489. This I think is a misapprehension as to the scope of the decision in *Davy v Garrett*. That case was dealing with fraud in a different context. In this field context is everything. The words "bona fide" or "good faith" are what are sometimes called chameleon words and take their content and their colour from their surroundings. Once the hearing officer had decided that the correct approach was that which I think he may well have been bound to accept, it was open to him to find that objectively the behaviour of the application did not satisfy the second half of the formulation. The word "inference" itself has a wide meaning, as Robert Walker L.J. demonstrates in *REEF Trade Mark* [2003] R.P.C. 5. This was not a question of drawing an inference at all. It was a question of coming to a secondary finding of fact on all the material. I do not consider that the hearing officer's decision is open to challenge on this ground and the appeal must accordingly be dismissed.'

23. In the Notice of defence, Mr Baker states in relation to the adoption of the respondent's name:

"...which when set up was based on a pop band I play guitar in called "ELK REDEMPTION" that's as simple as it gets when I chose the company name, on a whim when I met my accountant."

24. In their written submissions, the applicants state:

"11...The respondent claims that it thought of the name ELK BUILDING SERVICES on a whim because the director of the company plays in a band named ELK REDEMPTION. The respondent has provided no evidence that the band name exists or that he is a member of the band."

25. As the applicants point out, the respondent has not provided any evidence in support of its assertion. Given the basis of the respondent's claim and the applicants subsequent challenge, it ought to have been a relatively simple matter for Mr Baker to provide evidence corroborating his involvement in the band ELK REDEMEPTION and that it was this involvement which motivated the choice of the respondent's name. In trade mark proceedings between *Awareness Limited* and *Plymouth City Council* - BL O/230/13 (in relation to establishing that a trade mark had been used), Mr Daniel Alexander Q.C. as the Appointed Person stated that:

"22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public."

26. In our view, the underlined part of the above judgement is equally relevant to proving good faith before this tribunal. For example, plans to show the preparatory steps taken in the setting up of the business accompanied by a witness statement from Mr Baker's accountant may have assisted in working out whether or not the name was adopted in good faith. However, despite it being within the respondent's power to provide such evidence, nothing in this regard has been furnished. In the absence of evidence to support Mr Baker's assertions, we find that the respondent has not established that the name was adopted in good faith. **The respondent has not established that it can rely upon section 69(4)(d) of the Act and its defence is dismissed.**

Defence under section 69(4)(e) - that the interests of the applicants are not adversely affected to any significant extent.

27. Section 69(4)(e) of the Act gives a defence if the interests of the applicants are not adversely affected to any significant extent. The terms of the defence are written in the present tense. An application to the tribunal can be made at any time. There is no time limit to lodge an objection to a company name. An application could be made where at the time of the registration of the company name the interests of the applicants were adversely affected, however, by the time of the application they no longer are. Therefore, in relation to section 69(4)(e) the matter should be judged at the date of filing of the application - in this case, 29 May 2013.

28. To adversely affect the interests of the applicants to any significant extent, the company name must do more than just sit on the register at Companies House. In

this case, the adverse effect must relate to the potential use of the company name in business.

29. We have already found that the applicants had goodwill by reference to the name ELK at the relevant date and that this goodwill is in relation to (at the very least) off-site manufactured buildings and related consultancy services such as design and project planning. In order to test whether or not the applicants' interests will or will not be adversely affected to any significant extent, it is necessary to consider what the position would be should the respondent begin operating under its name, ELK BUILDING SERVICES LTD.

30. In their written submissions, the applicants state:

"1...The respondent claims that it does not work in the same business area. From the available company information, the respondents description of services is "quantity surveying activities". According to the definition "quantity surveyor" on the Oxford online dictionary...is as follows:

"A person who calculates the amount of materials needed for building work, and how much they will cost."

These services would be considered identical or highly similar to design and consultancy services of the applicants as part of the design phase is to prepare a costs estimate for the entire building."

31. In the Notice of defence, the respondent asserts, inter alia, that it does not work in the same business as the applicants. However, to our minds, there is a relatively close and well established connection between the area of trade in which the applicants have goodwill and what appears to be the respondent's area of interest i.e. quantity surveying activities (of course as the respondent's trade is not limited to its principal business activity, the company name could be used in relation to exactly the same area of trade in which the applicants have established goodwill). Bearing the above in mind, together with our finding that the respondent's name is highly similar to the name upon which the applicants have established goodwill, the impact on the applicants' business would, in our view, be both real and significant. For example, use by the respondent which diverts potential customers from the applicants to it, or on services provided by it which are inferior to those provided by the applicants, are all, in our view, likely adversely to affect the applicants to a significant extent. **It follows that the respondent's defence based upon section 69(4)(e) is also dismissed.**

Outcome

32. As the respondent cannot benefit from any of the defences under section 69(4) of the Act the application succeeds.

33. In accordance with section 73(1) of the Act, the following order is made:

(a) ELK BUILDING SERVICES LTD shall change its name within one month of the date of this order to one that is not an offending name;²

² An "offending name" means a name that, by reason of its similarity to the name associated with the applicant in which he claims goodwill, would be likely— to be the subject of a direction under section 67 (power of Secretary of State to direct change of name), or to give rise to a further application under section 69.

(b) ELK BUILDING SERVICES LTD shall:

- (i) take such steps as are within its power to make, or facilitate the making, of that change;
- (ii) not cause or permit any steps to be taken calculated to result in another company being registered with a name that is an offending name.

34. If no such change is made within one month of the date of this order, a new company name will be determined as per section 73(4) of the Act and notice will be given of that change under section 73(5) of the Act.

Costs

35. The applicants, having been successful, are entitled to a contribution towards their costs. The Tribunal normally awards costs on a contributory basis, set out in the scale of costs in the Tribunal's Practice Direction. Applying the guidance provided in that Direction, we award costs to the applicants on the following basis:

Preparing a statement and considering the respondent's statement:	£400
Preparing evidence and considering the respondent's evidence:	£500
Written submissions:	£100
Expenses (official fees for forms CNA1 & CNA3):	£550
Total	£1550

36. ELK BUILDING SERVICES LTD are ordered to pay EBS ELK LTD and ELK-FERTIGHAUS AG (jointly) the sum of **£1550**. This sum is to be paid within seven 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.

37. Any notice of appeal against this decision to order a change of company name must be given within one month of the date of this decision. Appeal is to the High Court in England Wales and Northern Ireland and to the Court of Session in Scotland. The tribunal must be advised if an appeal is lodged.

Dated this 9th day of March 2015

Christopher Bowen
Company Names
Adjudicator

Judi Pike
Company Names
Adjudicator

Oliver Morris
Company Names
Adjudicator