

**O-167-17**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 3110773**

**BY**

**LYNCARE SYSTEMS LIMITED**

**TO REGISTER THE TRADE MARK**

**ASSETTRAK**

**IN CLASSES 9, 35, 38, 42 AND 45**

**AND**

**THE OPPOSITION THERETO**

**UNDER NO 405547**

**BY**

**ASSETTRAC LTD**

## BACKGROUND

1. On 15 May 2015, Lyncare Systems Limited (“the applicant”) applied to register the above trade mark for goods and services in classes 9, 35, 38, 42 and 45<sup>1</sup> of the Nice Classification system<sup>2</sup>.

2. The application was published on 28 August 2015, following which Assettrac Ltd (“the opponent”) filed a notice of opposition against the application. The opposition is brought in respect of all of the applicant’s goods and services.

3. The opposition is based on sections 5(4)(a) and 3(1)(b) of the Trade Marks Act 1994 (the Act). Under the section 5(4)(a) ground the opponent relies upon the sign ASSETTRAC which it claims to have used since 1 March 1999 in respect of RFID and barcode asset tags, mobile scanners, software and tracking and audit services, all for the purpose of asset management.

4. In its statement of grounds, with regard to section 5(4)(a), the opponent states:

*“3. Normal and fair use of the Mark as applied for is likely to cause damage to the Opponent’s goodwill...where the goods or services involve Assets. For example, Software that tracks, values or transfers assets sold by the Applicant is likely to cause damage to the Business goodwill of the Opponent. Therefore, Registration of the Application for ASSETTRAK would be contrary to Section 5(4)(a) of the Act because normal and fair use of the mark applied for is likely to cause a misrepresentation that would cause damage to the Opponent’s goodwill.*

5. With regard to the opposition under section 3(1)(b) the opponent states:

---

<sup>1</sup> The goods and services are listed in full at paragraphs 80 and 93 of this decision.

<sup>2</sup> International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).

*“4. The Opponent contends that ASSETTRAK is devoid of distinctive character...The expression ASSETTRAK describes publications, software, communications services, installation of software any of which are aimed at tracking of assets. The Opponent contends that ASSETTRAK is descriptive of any goods or services intended to facilitate asset handling or tracking. Registration of the Application would therefore be contrary to Section 3(1)(b). For the avoidance of doubt in future applications the Opponent contends that ASSETTRAC could be registered on the basis of distinctiveness acquired through use.”*

6. The applicant filed a counterstatement on 4 May 2016 in which it denies all of the grounds of opposition.

7. Both sides filed evidence, neither side asked to be heard and both filed written submissions in lieu of attendance at a hearing.

## **EVIDENCE**

### **The opponent’s evidence**

#### Witness statement of Roland Christopher Joseph Wilding and Exhibits RW1– RW4

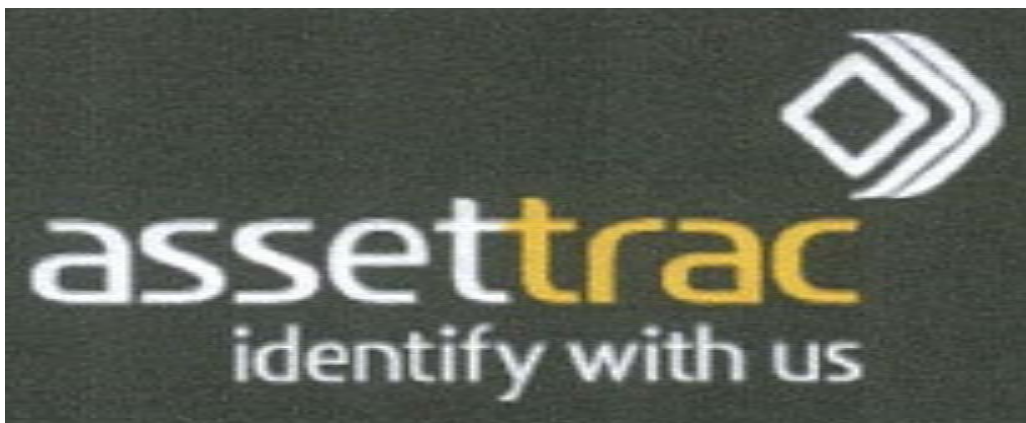
8. Mr Wilding is a European Trade Mark and Design attorney. His witness statement is dated 1 July 2016. Exhibit RW1 is a print from the UK trade mark register showing marks which include the word TRAK or variations of the same. They are not relevant to these proceedings and they do not relate to the contested mark or the unregistered sign relied upon by the opponent. RW2 is prints taken from the Irish Patent Office showing the applicant’s trade mark registration. Exhibit RW4 is a print from a search conducted on Nominet. Neither of these exhibits need to be detailed here because they do not appear to be relevant.

9. Exhibit RW3 is the result of a search carried out by Mr Wilding on 21 and 22 June 2016 on the website waybackmachine.org in respect of the IP address www.assettrac.co.uk. The page dated 14 February 2005 shows the opponent’s sign in

the following form:



10. Pages dated 19 April 2012, 22 January 2013 and 8 February 2014 show the sign in the following form.



11. All three of these pages include the following headings on the right side of the page:

- Software
- Hardware
  - Labels/Tags
  - Scanners/PDAs
- Onsite Services
  - Asset Registration
  - Asset Auditing
  - PAT Testing
- Track in a box

12. The earliest of these three pages includes a feature titled 'Safety First with asset

management technology’ under which is text which reads, ‘Ensuring your asset information is stored securely “in the cloud”’. Under the wording is a link to ‘find out more’.

13. The page dated 22 January 2013 has a feature titled ‘Keep track with asset management technology’. The words underneath read, ‘See everything you own and its history at the click of a button.’ Under the wording is a link to ‘find out more’.

14. The page dated 8 February 2014 has a feature titled ‘Stay legal with asset management technology’. The words underneath read, ‘Stay compliant with industry regulations and make auditing assets simple’. Under the wording is a link to ‘find out more’.

Witness statement of Stephen Vaughn Fullerton Laing and Exhibits SVL1 – SVL17

15. Mr Laing is the Managing Director of the opponent, a position he has held since 2003. He states that the mark ASSETtrac was first used by the opponent in the UK in 1999 and has also been used in the form ‘assettrac or similar’. Use in 1999 was for microchips and barcode labels. Use in respect of software related to asset tracking and management began in 2002. It was used for hand held scanners from 2003 and for asset auditing since 2010.

16. Mr Laing states that the opponent’s website, www.assettrac.co.uk, has featured its mark since 1999. Changes made over the years include additions and subtractions of testimonials, details regarding specific goods and services, client list and logo changes.

17. The following figures are provided for annual sales of goods and services in the UK:

<b>Year</b>	<b>Total (rounded to the nearest thousand)</b>
2004	£102,000
2005	£137,000
2006	£122,000

2007	£192,000
2008	£185,000
2009	£255,000
2010	£294,000
2011	£420,000
2012	£424,000
2013	£411,000
2014	£460,000
2015	£572,000

18. Mr Laing states that in the years 1999-2015 the opponent has spent in the region of 20% of annual sales revenue on promotion and advertising. This has included trade press advertising in the fields of health, energy, education and training; television and radio broadcasts. In addition:

*“6...It should be noted that many clients become aware of the Opponent’s goods and services because of the thousands of assets that have barcode labels bearing the Opponent’s mark.”*

19. At paragraph 7 of his statement Mr Laing confirms that there has been limited use of the mark in Northern Ireland and lower levels of use in respect of microchips.

20. Exhibit SVL1 is a screen shot from the opponent’s website printed on 30 June 2016. It shows the opponent’s sign in white and yellow on a black background as I have shown at paragraph 10 of this decision.

21. SVL2 is described as copies of photographs taken at trade exhibitions that the opponent has attended. Two photographs are included in the exhibit and are very blurry. Promotional banners can be seen behind and to the side of a desk, which has displayed on it a computer and what look to be giveaways, such as mugs (though the writing on them cannot be made out). The banners are headed ASSET MANAGEMENT and show the following sign in the top right corner:



22. Each banner has a different theme: 'Education with asset management technology', 'Safety first with asset management technology', 'Save time' and 'Facility management'. The exhibit gives no indication of where or when this event took place but Mr Laing states: "These exhibitions were typical of those attended most years between 2005-2014 by the Opponent."

23. SVL3 comprises an article, titled 'The More You Have, The Less You Know', written by Mr Laing (described as the Director of ASSETtrac Ltd) and published in August 2014 in the trade magazine 'Health Business'. The article describes asset management systems for health service centres which can include catering equipment, furniture, clinical machines, gas cylinders, instruments and computers:

*"Tracking all this without computer assistance is a laborious job, and therefore often pushed to the bottom of the pile. So here in some detail is a typical two stage solution available from asset management specialists.*

*Phase 1 – Firstly all relevant items are tagged with barcode labels (or RFID tags if appropriate) and these can be generic or customized by the operator, any size for limiting surfaces, and tamper resistant too. Data capture fields and value thresholds can be specified by the client but usually extend to category, type, make, model, serial number, location, sub location and often replacement value...*

*Phase 2 – The asset register can be compiled almost in real time, via Wi-Fi or mobile phone links to the server, and then it is posted to an online platform where databases, views and passwords can be customized by the administrator according to each user's job responsibilities. As property is*

*constantly purchased, moved, edited, inspected, and disposed, these changes can be made on any Internet connected device, or in volume using a dedicated scanner/terminal where a visual inspection or move will be confirmed by scanning the asset barcode...”*

24. Exhibit SVL4 is an article, titled ‘Keeping Tabs on Public Property’, written by Mr Laing (described as the Director of ASSETtrac Ltd) and published in January 2007 in the publication ‘The Public Servant’. The article describes a typical three part tracking system which comprises:

*“a tag – uniquely numbered tamper resistant barcode label or radio frequency microchip depending on factors such as abrasion, the weather or security.*

*a reader/terminal – barcode or RFID scanner or PDA*

*the database software – installed on local PC or network.”*

25. Exhibit SVL5 comprises a number of articles:

ASSETtrac Company News, 9 January 2009 – “ASSETtrac Ltd is pleased to celebrate 10 years of supplying products and services to the bereavement industry”.

The Voice, National Association of School Business Management, 2012 – “What’s Under Your Roof”. The article includes an estimated price for ASSETtrac to deliver an asset audit and training day as well as the necessary scanners software and technical support. The price given is £7000 for a school of 1500 pupils.

*“ASSETtrac prides itself on being a one-stop shop for tags, labels, audits, scanners, software, technical support and training...The team will travel anywhere in the UK to give a no-cost laptop demonstration to [School Business Managers] about the business benefits that can be gained through clever use of their asset management systems.”*



ICCM Magazine (Institute of Cemetery and Crematorium Management), 2013 – “Is Your Site On The Portal?” Described in the article as, “The UK’s largest on-line contact directory for cemeteries and crematoria, available on The Bereavement Services Portal,” which was launched in 2004... At the bottom of the page is the following:

*“The information is kept up-to-date by the site operators themselves so if you manage a cemetery, crematorium, or natural burial ground please add or update your details. Contact webmaster, ASSETtrac Ltd, for a secure password...”*

26. Exhibit SVL6 is an article published in ‘Facilities Management Journal’ in 2009. It concerns The Millennium Seed Bank Project (MSBP) at Wakehurst Place in West Sussex which is a global conservation programme originating from the Seed Conservation Department of the Royal Botanic Gardens, Kew. The project aims to collect and conserve 24000 species. The article includes the following:

*“MSBP approached ASSETtrac in March 2003 to find a simple way of tracking the movements of barcoded seeds between their secure storage areas and laboratories for scientific study. With additional barcoded labels assigned to both locations and the personal tag of each member of the team, the system is now installed and is initiated by the scientist logging both his or her tag and the samples removed using a simple two button...scanner...The process can be repeated throughout a given period and at the end of the week for example, the lab manager simply downloads the movements to ASSETtrac’s Asset Performer software”.*

27. Exhibit SVL7 is described as a typical extract of a brochure given to prospective clients, since 2004. Each of the pages has the following sign in the top right hand corner:



28. The second page is a list of ASSETtrac clients which include, under the heading 'Local Public Sector', 19 London boroughs and county councils, Surrey Ambulance, Suffolk Fire Service and the University of Sussex. Its clients include the British Film Institute and the Ministry of Defence. Commercial clients listed include the London Underground, Tesco, Fujitsu and Pepsico. Clients in the Education sector include 38 schools and colleges and London Borough of Merton which includes 50 schools. International clients include Metropolitan Cemetery, Perth and Nigeria National Oil Corporation.

29. The section titled 'Company Background' reads:

*"The Company was formed in 1999 by managing director Stephen Laing, after a 25 year career in international insurance with C.T. Bowring, taken over in 1980 by Marsh and McClellan where he became senior vice president. Ian Athersmith...joined the company as a Technical Director in 2003 which created the opportunity for ASSETtrac to introduce state of the art technology by developing the latest solutions in the field of physical asset management, specializing in asset tags, software tracking programmes for moveable property and handheld recording procedures. With an audit service introduced in 2009, the company is able to offer asset or procedure rich institutions the convenience of all elements under one roof including server platforms for continuous data management..."*

*Based in the South of England, the Company works with a wide range of clients from the private and public sectors in the UK."*

30. Exhibit SVL8 is described as a typical barcode label of the type affixed to client assets, and is shown below:



31. Exhibit SVL9 is described as a circular sent by the opponent to school and academy business managers in 2010. Mr Laing states that the opponent is an approved partner of the National Association of School Business Management (NASBM). The NASBM logo is shown at the bottom left of the circular. The following sign is shown in the top right hand corner of the circular:



32. The first paragraph of the circular reads:

*“ASSETtrac Ltd was established in 1999, and helps schools to look after their equipment and fixed assets more efficiently. The company specializes in tagging, auditing, and paper free tracking of a school’s moveable property and safety procedures with mobile devices and cloud based software...”*

33. The second page refers to ‘AP REAL TIME the complete low cost solution to all your asset tracking needs’. AP Online is described as a cloud based program which can be accessed from a tablet or terminal with barcode scanning capability.

34. Operation of the system is described in the following terms:

*“Set up any text, date, and number field so you can add, edit, move, inspect, or dispose of any property item or fixture from any internet connected*

*device wherever you are 24 hours a day.”*

35. Exhibit SVL10 is described as information about an industry award won by the opponent. The exhibit is in fact the entry form for ‘Frontline Solutions RFID AWARDS 2000 in association with PHILIPS’. The entry form is filled out by ASSETtrac Ltd and relates to its passive read-only microchip which is buried underground in a grave. It has an infinite lifetime and no battery or maintenance requirements. The signal can be read by a reader to enable adjacent burial of relatives, prevents mistaken exhumations and does not interrupt the landscape.

36. The first page of exhibit SVL11 is a press release dated January 2002. It reads:

*“ASSETtrac Ltd is pleased to announce industry recognition of its microchip identification techniques used in EPITAPH woodland burial system. The product has been awarded overall runner up position in the security category of the RFID 2000 awards sponsored by Frontline Solutions and Philips...”*

37. The second page is another press release, which is not dated. The first paragraph reads:

*“ASSETtrac Ltd, the independent Security Consultancy based in West Sussex, and Kodit Database Ltd of Wilmslow are pleased to announce a prestigious new contract with Independent Insurance, for the supply of customized vinyl asset tags to be attached to IT equipment throughout the organisation.”*

38. SVL12 is described as an agreement with Lizard Security Systems which is ‘typical of agreements reached with several companies. The document is titled ‘Confidentiality and Mutual Non-Disclosure Agreement’. It outlines the handling of secure information and documents and is agreed to and accepted by ASSETtrac Ltd and Lizard Security Systems Ltd. It is not signed or dated.

39. SVL13 is a copy of an article from The Financial Times, dated 22 May 2006, written

by Andrew Bibby. The article concerns Tarn Moor woodland burial ground in Skipton. The sixth paragraph is as follows:

*“Ms Pratt buys her RFID chips from small Sussex company ASSETtrac, set up seven years ago by Stephen Laing after a mid-life career change from reinsurance at Lloyds. He tried without much success to interest the art and antiques world in the benefits of RFID tagging before discovering, almost by chance, the requirements of private burial grounds and local authority cemetery managers to be able to identify graves...”*

40. Exhibit SVL14 is described by Mr Laing as ‘true copies of commercial documents including email orders, invoices, and correspondence and bank statements’. The documents do not appear to be in any particular order but consist of the following invoices:

<b>Date:</b>	<b>Customer:</b>	<b>Goods and Services:</b>	<b>Cost:</b>
15.07.99	Southend Borough Council	Dispenser and label unit.	£58.75
07.06.00	Exeter City Council	Not specified.	£1645.00
16.06.00	Independent Insurance Co. House	Security labels for laptops. Credit card sized security tags.	£16,095.75
12.06.02	UK Sport	Software licences. Barcode module. Barcode scanner. Installation.	£1944.43
13.02.03	Lothian Borders Police	Not specified.	£816.63
25.02.03	Medway Council	Software, barcode scanner, barcodes, labels.	£1991.70
27.07.04	AWE Aldermaston Reading	Software licence, barcode scanner, tech support and training.	£8460.01
24.11.04	Birmingham City Council	Software, barcode scanner, labels, tech support and installation.	£4175.00

15.06.05	Hautlieu School, Jersey	Software, barcode scanner, tech support and installation.	£5040.00
29.09.05	Redditch Borough Council	1 year technical support.	Not specified.

41. In addition there are three invoices for the purchase of CD Roms dated in 2002, 2003 and 2004 and a quotation request from Rushmoor Borough Council for software, a barcode scanner and 700 metalised labels for 600 litter bins.

42. Five documents are provided which relate to the formation, advertising and promotion of ASSETtrac. They are an invoice for professional services in connection with the formation of ASSETtrac Ltd, dated 4 March 1999, for £411.25; an invoice for 13.5 hours marketing at the University of Sussex, dated 21 July 2000, for £317.25; an invoice for an event called 'Meet the Buyers' for one delegate place, dated 3 July 2002, for £99.87; an invoice for an advertisement in the Funeral Director Magazine, dated 3 March 2003, for £293.75 and an invoice for an advertisement in Business Edge Magazine, dated January 2007, for £720.00.

43. Some bank statements have been included but the account numbers have not been redacted and they do not add anything to the opponent's case beyond the fact that the opponent holds a bank account, so I decline to detail them here.

44. Exhibit SVL15 is a leaflet distributed by The Institute of Cemetery and Crematorium Management (ICCM). The leaflet concerns the Bereavement Services Portal and is not dated, though the information provided indicates that the portal was launched in September 2010. At the bottom of the second page it states that iccm-uk.com is managed by ASSETtrac Ltd and provides a contact email address, assettrac.co.uk.

45. SVL16 is a print from the ICCM homepage. It was printed on 30 June 2016. SVL17 is a client list.

## **The applicant's evidence**

### Witness statement of Niamh Hall and Exhibits NH1– NH5

46. Ms Hall is a Trade Mark attorney. Her witness statement is dated 5 October 2016. Exhibit NH1 is the results from a *Google* search for asset tracking. NH2 is the results from the same search but without geographic limitations applied. NH3 is a print from Google Help Forum about targeting international searches and includes information concerning how Google selects the websites it considers most relevant for a particular country search. NH4 is prints from the UK and EU trade mark registers for registered marks containing ASSET and TRACK. NH5 is a print from the Companies House website of company names containing ASSET and TRACK. I do not intend to detail these exhibits here.

47. That concludes my summary of the evidence to the extent that it is necessary. I will refer to the parties' respective submissions where necessary, in the remainder of the decision.

## **DECISION**

48. This opposition has been brought on a number of grounds. I will deal first with the claim under section 5(4)(a).

### **The law**

49. Section 5(4) of the Act states:

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade...

(b) ...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

50. Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

Parker J in *Burberrys v J C Cording & Co Ltd* [1909] 26 RPC 693 said:



“The principles of law applicable to a case of this sort are well known. On the one hand, apart from the law as to trade marks, no one can claim monopoly rights in the use of a word or name. On the other hand, no one is entitled by the use of any word or name, or indeed in any other way, to represent his goods as being the goods of another to that other’s injury. If an injunction be granted restraining the use of a word or name, it is no doubt granted to protect property, but the property, to protect which it is granted, is not property in the word or name, but the property in the trade or goodwill which will be injured by its use. If the use of a word or a name be restrained, it can only be on the ground that such use involves a misrepresentation, and that such misrepresentation has injured, or is calculated to injure another in his trade or business.”

51. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent’s reputation extends to the goods comprised in the applicant’s specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd’s Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence

to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

52. Commenting on *South Cone* in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

### **The relevant date**

53. Whether there has been passing off must be judged at a particular point (or points) in time. In the decision of the Court of Appeal in *Roger Maier and Assos of Switzerland SA v ASOS plc and ASOS.com Limited* [2015] EWCA Civ 220 it was stated:

“165. ...Under the English law of passing off, the relevant date for determining whether a claimant has established the necessary reputation or goodwill is the date of the commencement of the conduct complained of (see, for example, *Cadbury- Schweppes Pty Ltd v The Pub Squash Co Ltd* [1981] RPC 429). The jurisprudence of the General Court and that of OHIM is not entirely clear as to how this should be taken into consideration under Article 8(4) (compare, for example, T-114/07 and T-115/07 *Last Minute Network Ltd* and Case R 784/2010-2 *Sun Capital Partners Inc.*). In my judgment the matter should be addressed in the following way. The party opposing the application or the registration must show that, as at the date of application (or the priority date, if earlier), a normal and fair use of the Community trade mark would have amounted to passing off. But if the Community trade mark has in fact been used from an earlier date then that

is a matter which must be taken into account, for the opponent must show that he had the necessary goodwill and reputation to render that use actionable on the date that it began.”

54. The above related to a community trade mark, however, the same applies to a UK national trade mark.

55. The filing date of the subject trade mark is 15 May 2015. There is no evidence or claim by the applicant that it has used its mark prior to this. Accordingly, the matter need only be assessed as of 15 May 2015.

### **Goodwill**

56. The first hurdle for the applicant is to show that it had the required goodwill at the relevant date. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), the Court stated:

“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.”

57. In *Hart v Relentless Records* [2003] FSR 36, Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the

difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used 'but had not acquired any significant reputation' (the trial judge's finding). Again that shows one is looking for more than a minimal reputation."

58. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

"There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience."

59. See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA).

60. It is clear from the evidence provided by the applicant that ASSETtrac Ltd was established in 1999. This is supported by trade articles, the opponent's website and a document relating to the costs incurred when starting the business. Mr Laing has stated that in 1999 the business was concerned with microchips and barcode labels and this is supported by a number of original invoices. For example, an invoice to Southend Borough Council dated 15 July 1999 for £58.75 in respect of a dispenser and label unit and a further invoice dated 16 June 2000 to Independent Insurance Co. House for £16,095.75 in respect of laptop security labels and security tags. From 2002 onwards Mr Laing states that his business was also concerned with asset tracking and management software. Again, invoices from those periods support this statement: for example, an invoice to UK Sport dated 12 June 2002 which includes software licences and a barcode module as well as installation, and totals £1944.43 and an invoice to Medway Council dated 25 February 2003 for software, barcode scanner, labels and barcodes which amounts to £1991.70. Mr Laing states that the business also sold

handheld scanners from 2003. Again there are a number of invoices which support this.<sup>3</sup> Mr Laing also states that asset auditing has been offered under the sign ASSETTRAC since 2010. Archived web pages from 2012, 2013 and 2014 show that these services have been offered from at least 2012.

61. Mr Laing has provided evidence showing that ASSETTRAC worked with The Royal Botanical Gardens at Kew, to establish a way of tracking important seed specimens and has also provided articles relating to its work allowing the identification of burial plots for local councils and international organisations. Assettrac Ltd won an RFID industry award in 2001/2002 for its RFID security products.

62. Clients of ASSETTRAC and its goods and services include a large number of public sector organisations, corporate clients and educational establishments. These are situated throughout the UK, which is supported by the invoices provided by the opponent at SVL14. Sales in the UK under the ASSETTRAC sign rise steadily from £102,000 in 2004 to £572,000 in 2015. Mr Laing states that 20% of the value of sales is spent on promotion and advertising. Invoices are provided for an advertisement in The Funeral Director and another in Business Edge Magazine.

63. I note that the applicant submits that the opponent has not provided sufficient evidence to establish goodwill and comments that the levels of sales shown are not significant.

64. I find that the opponent's goodwill at the relevant date, although fairly modest in terms of volumes of sales (taking into account the size of the asset tracking and asset management market, which is no doubt significant), was sufficient to be protected under the law of passing off. A fair characterisation of its business is as a provider of asset tracking systems, which include the asset tracking software and software licences, tags including barcodes and RFIDs, scanners, tracking and audit services, installation and training relating to asset management.

65. The sign used by the opponent is, in the first years, up until approximately 2010, in the form ASSETtrac. This is how it is presented on all of the invoices, the latest of

---

<sup>3</sup> See exhibit SVL14.

which is dated 29 September 2005, and this is how it is displayed on earlier versions of the opponent's website. After this date it is used in the following form:



66. This can be seen on, inter alia, each page of the sample brochure, the opponent's website, display boards shown in photographs of a trade show (though these are not dated) and articles for Schools and Health Service providers. In all examples the 'trac' part of the sign is in lower case and the presentation is always a contraction with 'asset' and 'trac' joined together. Overall, the use shown is such that the goodwill is associated with the words, per se.

### **Misrepresentation**

67. In *Neutrogena Corporation and Another v Golden Limited and Another*, [1996] RPC 473, Morritt L.J. stated that:

"There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc. [1990] R.P.C. 341 at page 407* the question on the issue of deception or confusion is

'is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]?'

The same proposition is stated in *Halsbury's Laws of England 4th Edition Vol.48 para 148*. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd. (1941) 58 R.P.C. 147 at page 175* ; and *Re Smith Hayden's Application (1945) 63 R.P.C. 97 at page 101.*"

68. And later in the same judgment:

“... for my part, I think that references, in this context, to ‘more than *de minimis*’ and ‘above a trivial level’ are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

69. I have found the opponent to have goodwill in respect of asset tracking systems, which include the asset tracking software and software licences, tags including barcodes and RFIDs, scanners, tracking and audit services, installation and training.

70. The opponent's goodwill is associated with the sign ASSETTRAC. The applicant's mark comprises the words ASSETTRAK. Both marks are a contraction of ASSET and the word TRACK. In both cases, the second word is a mis-spelling of the common English word 'TRACK'. In the opponent's sign the letter 'K' is missing from 'TRACK'. In the application, the letter 'C' is missing. In either case it may go unnoticed. However, even where it is noticed, it does not result in a significant degree of stylisation, nor does it alter the fact that the relevant public will see both marks as the combination of two known words, ASSET and TRACK. Visually, the marks are very highly similar. Aurally, the respective marks break naturally into two parts, ASSET and TRACK. The relevant public will be familiar with the pronunciation of these common words. The parties' respective marks are aurally identical. Conceptually, both parties' marks clearly relate to the concept of tracking assets and are conceptually identical.

71. With regard to the nature of the sign ASSETTRAC, the applicant comments in its submissions<sup>4</sup> that a descriptive name is not easy to protect via passing off if the defendant adopts even an apparently minor difference.

72. I bear in mind the comments of Lord Simonds in *Office Cleaning Services Limited v Westminster Window & General Cleaners Limited*<sup>5</sup>, where he stated that:

---

<sup>4</sup> Filed on 6 December 2016

<sup>5</sup> [1946] 63 RPC 39

“Where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered.”

73. See also: *McCain International Limited v Country Fair Foods Limited and Another* [1981] R.P.C. 69 (COA).

74. Descriptiveness is a matter of degree. In this case, I find the combination of words used in both marks to be descriptive of the vast majority of goods and services at issue. Notwithstanding that the sign ASSETTRAC may be inherently weak, I come to the firm view that the use shown by the opponent is such that the words will be seen as an indication of the commercial origin of the goods/services in relation to which it is used. The mark is distinctive of the opponent.

75. Assuming use of these marks in respect of identical goods and services, I find that even after allowing for a greater degree of discrimination than usual on the part of the public because of the descriptive nature of the marks, a substantial number of the public would have been deceived. This is most likely to be the result of imperfect recollection of the opponent's mark.

76. In addition, I make the same finding, that a substantial number of the public would have been deceived, where the applicant uses its mark for goods and services which have a close connection with the opponent's goods and services. In all of these circumstances the public would be likely to consider the originator to be the same and would be deceived as a result.

77. The opponent makes its passing off claim in respect of all of the applicant's goods and services. With regard to the similarities between the goods and services, the opponent states:



*“The fields of activity of the Applicant and Opponent overlap as far as Goods and services related to assets are concerned. By way of example the first six lines of the Applicant’s class 9 contain goods that are sold by the Opponent under their mark ASSETTRAC.”*

78. The opponent has provided no further explanation as to where any similarities between the parties’ goods and services occur nor has it given any explanation or supporting information to explain why these goods and services are ‘areas of overlap’. The applicant has given no indication of where it thinks the goods/services indicate that the respective fields of activity differ. Consequently, the assessment will be made using my own general knowledge.

79. I am required to consider normal and fair use of the contested application for all of the goods and services for which the application is made.

80. I conclude that the following goods and services are in the same field of commercial activity as the business in which the opponent has established goodwill. For the reasons provided above, use of the applicant’s mark in respect of these goods and services would constitute a misrepresentation:

**Class 9**

All of the goods in this class.

**Class 35**

Inventory management; inventory control; business management and consultation services, namely, the control, management, computerized and manual tracking, and reporting of inventory and goods in transit; supply chain management services; systematization, storing/compilation and archiving of data and information in computer data bases accessible on the internet, including data and information relating to the tracking, authentication and managing inventories of goods and brands, maintenance, rental, updating, design and outsourcing of computer

programs and software; collection of data; providing data collection, storage and retrieval services; computerized data verification; compilation, creation, management, maintenance and updating of registers and databases of information; computerised business information retrieval; provision of information and advisory and consultancy services, all relating to the aforesaid.

### **Class 38**

All of the services in class 38.

### **Class 42**

Providing temporary use of non-downloadable computer software for tracking and tracing goods and physical assets; technical and computer services used for transmitting, receiving, viewing, updating and managing data, inventory and material handling, storage and retrieval, shipping and receiving, ordering, picking and counting of merchandise, asset management and tracking, dispatching and scheduling, general data collection.

Development and maintenance of databases and development, updating and maintenance of software, especially for object identification, authentication, tracing, protection and tracking, inventory management and delivery run optimization; testing services; designing, implementing and updating software solutions and providing them as a service relating to storage, back-up, anti-fraud, anti-theft and data security.

Providing temporary use of on-line, non downloadable software for use in the fields of remote monitoring, operating, control, maintenance and repair, remotely accessing, testing, operating, controlling and changing the settings and set-up of equipment; providing temporary use of on-line, non-downloadable software for use in the fields of locking and protection systems, alarm and monitoring systems, GPS systems, RFID (Radio

Frequency Identification) systems, NFC (near field communication) or radio interfaces, data protection, data filtering, data back-up, data recovery, data regulatory compliance and disaster recovery.

Providing temporary use of on line, non-downloadable software for use in the fields of issuing notifications, transmitting and displaying alert notifications, messages and information, in each case to computer hardware, computer software, computer systems, Internet resources, mobile devices and telecommunications equipment; monitoring of computer hardware, computer software, computer systems, Internet resources, mobile devices and telecommunications equipment.

Designing, implementing and updating software solutions and providing them as a service relating to data protection, data storage, data filtering, data back-up, data recovery and data regulatory compliance; electronic storage of data, files, text, documents, photographs, images, video, and audio; electronic storage of data files to store and retrieve data via a global computer network.

Installation, repair and maintenance in relation to software for creating, programming, encoding, scanning, reading and interpreting RFID or NFC chips and tags, integrated circuits for near field communication applications and apparatus incorporating near field communications technology.

Maintenance, rental, updating, design and outsourcing of computer programs and software; provision of information and advisory and consultancy services, all relating to the aforesaid; technical and computer services used for equipment maintenance, GPS-driven mapping and direction finding; provision of security services remotely or via software for the protection of computer hardware, computer software, computer systems, Internet resources, mobile devices and telecommunications equipment.

## **Class 45**

Services for the tracking and tracing of goods and physical assets, including electronic tagging of goods and the surveillance and location of such electronic tags; asset tracking for security purposes; tracking and tracing of property; identification marking of property and assets; collection of information relating to property and assets for tracing and cost/benefit analysis purposes; identity verification; services for returning property; security consultancy; fraud and theft detection and deterrence services; fraud and theft protection and prevention; provision of information and advisory and consultancy services, all relating to the aforesaid.

## **Damage**

81. Having found that the goodwill and misrepresentation limbs of the test have been satisfied in respect of some of the goods and services, it follows that damage to the opponent's goodwill will arise, most obviously, by diverting trade from the opponent to the applicant.

82. Damage can also be wider than simply a loss of sales. In *Maslyukov v Diageo Distilling Ltd* Arnold J stated:

“85 Secondly, counsel submitted that the hearing officer had wrongly failed to recognise that damage resulting from Diegeo's loss of control over the marks, including erosion of distinctiveness of the marks, was sufficient damage to sustain a passing off action, as shown by the following passage from McAlpine at [20] which the hearing officer himself quoted at para.128 of the decision:

“When it comes to considering damage, the law is not so naïve as to confine the damage to directly provable losses of sales, or ‘direct sale for sale substitution’. The law recognises that damage from wrongful association can be wider than that. Thus in *Ewing v Buttercup Margarine Ltd (1917) 34 R.P.C. 232* Warrington L.J. said:

'To induce the belief that my business is a branch of another man's business may do that other man damage in all kinds of ways. The quality of the goods I sell; the kind of business I do; the credit or otherwise which I might enjoy. All those things may immensely injure the other man, who is assumed wrongly to be associated with me.'

In so saying, he was not limiting the kinds of potential damage to those listed by him. Rather, he was indicating that the subtleties of the effect of passing off extend into effects that are more subtle than merely sales lost to a passing off competitor. In *Associated Newspapers Ltd v Express Newspapers* [2003] F.S.R. 909 at 929 Laddie J. cited this passage, referred to other cases and went on to say:

'In all these cases [that is to say, the *Clock Ltd* case referred to above and *Harrods v Harrodian School* [1996] R.P.C. 679], direct sale for sale substitution is unlikely or impossible. Nevertheless the damage to the claimant can be substantial and invidious since the defendant's activities may remove from the claimant his ability to control and develop as he wishes the reputation in his mark. Thus, for a long time, the common law has protected a trader from the risk of false association as it has against the risk of more conventional goods for goods confusion.'

The same judge expressed himself more picturesquely, but equally helpfully, in *Irvine v Talksport Ltd* [2002] 1 W.L.R. 2355 at 2366. Having pointed out the more familiar, and easier, case of a defendant selling inferior goods in substitution for the claimant's and the consequential damage, he went on to say:

'But goodwill will be protected even if there is no immediate damage in the above sense. For example, it has long been recognised that a defendant cannot avoid a finding of passing off by showing that his goods or services are of as good or better quality than the claimant's. In such a case, although the defendant may not damage the goodwill

as such, what he does is damage the value of the goodwill to the claimant because, instead of benefiting from exclusive rights to his property, the latter now finds that someone else is squatting on it. It is for the owner of goodwill to maintain, raise or lower the quality of his reputation or decide who, if anyone, can use it alongside him. The ability to do that is compromised if another can use the reputation or goodwill without his permission and as he likes. Thus Fortnum and Mason is no more entitled to use the name FW Woolworth than FW Woolworth is entitled to use the name Fortnum and Mason ...' 'The law will vindicate the claimant's exclusive right to the reputation or goodwill. It will not allow others so to use goodwill as to reduce, blur or diminish its exclusivity.' (at 2368)

In *Taittinger SA v Allbev Ltd* [1994] 4 All ER 75 at 88, Peter Gibson L.J. acknowledged that:

'Erosion of the distinctiveness of the name champagne in this country is a form of damage to the goodwill of the business of the champagne houses.' The same view was expressed by Sir Thomas Bingham MR at 93."

83. To illustrate the point further, I note that in *WS Foster & Son Limited v Brooks Brothers UK Limited* [2013] EWPC 18, Mr Recorder Iain Purvis QC stated:

#### *"Damage*

55 Although proof of damage is an essential requirement of passing off cases, it will generally be presumed where a misrepresentation leading to a likelihood of deception has been established, since such deception will be likely to lead to loss of sales and/or more general damage to the exclusivity of the Claimant's unregistered mark. Mr Aikens accepted that if there was a misrepresentation in the present case, then he had no separate case on damage. I hold that damage is inevitable, at least in the sense

recognised in *Sir Robert McAlpine v Alfred McAlpine [2004] RPC 36* at 49 (the 'blurring, diminishing or erosion' of the distinctiveness of the mark)."

84. I therefore find that use of the applicant's mark at the relevant date was liable to be restrained under the law of passing off in respect of the goods and services I have identified above.

### **The opponent's 3(1)(b) case**

85. Section 3(1) of the Act is as follows:

3. - (1) The following shall not be registered –
  - (a) ...
  - (b) trade marks which are devoid of any distinctive character,
  - (c) ...
  - (d) ...

86. The opponent submits in its statement of grounds:

*"4. The Opponent contends that ASSETTRAK is devoid of distinctive character...The expression ASSETTRAK describes publications, software, communications services, installation of software any of which are aimed at tracking of assets. The Opponent contends that ASSETTRAK is descriptive of any goods or services intended to facilitate asset handling or tracking. Registration of the Application would therefore be contrary to Section 3(1)(b). For the avoidance of doubt in future applications the Opponent contends that ASSETTRAC could be registered on the basis of distinctiveness acquired through use."*

### **Acquired distinctiveness**

87. The applicant has filed evidence which includes *Google* searches relating to asset tracking, prints from the UK and EU trade mark registers showing marks which include ASSET and TRACK and prints from Companies House listing companies with ASSET and TRACK in the name. No explanation is provided to explain why these exhibits

might be relevant to the case before me. A number of the marks contain additional distinctive matter, but I cannot determine if or how they are being used in the market. Company name registrations do not provide the owner with any trade mark rights and are often descriptive of the nature of the business. None of the evidence shows sales in the UK or advertising/promotion in the UK. No evidence has been filed by the applicant to explain, for example, the actual trade mark which may have been used, what goods, if any, were sold under the trade marks, any turnover achieved under the trade marks or any amounts spent on promoting the trade marks and so on. Consequently, I have only the inherent characteristics of the applicant's trade mark to consider.

### **The finding under 3(1)(b)**

88. Given my finding above in respect of the passing off case, the applicant's remaining services are only those which, in my view, do not conflict with the opponent's business of asset tracking systems and a range of related goods and services such as readers and scanners and installation and training services, related to asset tracking systems.

89. Consequently, the applicant's mark ASSETTRAK must be distinctive for services not relating to the tracking of assets and as a result the remaining services do not fall foul of section 3(1)(b) for those services.

90. I decline to make an assessment under section 3(1)(b) in respect of the goods and services for which the opponent has already succeeded in its passing off action, since any finding in the opponent's favour cannot improve its position.

### **In summary**

91. The opponent has been largely successful under 5(4)(a) of the Act. In respect of section 5(4)(a) I have identified a range of goods and services which are conflicting. The opponent's position is not improved by assessing its case under 3(1)(b) for those same goods and services.



92. The opponent fails in its 3(1)(b) claim against the applicant's remaining services which differ in their core purpose and do not relate to asset tracking.

93. Consequently, the application may (subject to the outcome of any other proceedings) proceed to registration for the following:

**Class 35**

Customer support services to manage call and contact centre enquiries;  
call centre services;

**COSTS**

94. The opponent has been largely successful and is entitled to an award of costs in its favour. I award costs on the following basis:

Official fee	£200
Preparing a statement and considering the other side's statement	£200
Filing and considering evidence/submissions	£800
<b>Total</b>	<b>£1200</b>

95. I order Lyncare Systems Limited to pay Assettrac Ltd the sum of £1200. This sum is to be paid within fourteen days or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 6<sup>th</sup> day of April 2017**

**Ms AI Skilton**  
**For the Registrar,**  
**The Comptroller-General**

