

O-287-13

TRADE MARKS ACT 1994

**IN THE MATTER OF
UK TRADE MARK APPLICATION NUMBER 2579567
BY CROWD TECHNOLOGIES LTD
TO REGISTER A SERIES OF TRADE MARKS:**

CROWDCONTROL

CROWD CONTROL

**AND OPPOSITION THERETO (NUMBER 103178)
BY
LOTAME SOLUTIONS INC**

The background

1) On 28 April 2011 Crowd Technologies Limited (“the Applicant”) applied to register the following series of trade marks for the following goods:

CROWDCONTROL

CROWD CONTROL

Class 9: Computer hardware and firmware; computer software; software downloadable from the Internet; downloadable electronic publications; compact discs; DVDs and CD-ROMs; USBs and electronic data files; telecommunications apparatus; computer software development tools; computer software for use with online services and social networking applications; software for data retrieval, upload, download, access and management; software for tracking and analysing advertising campaigns; social media control and risk management software, hardware and firmware; web-based risk management software and applications; online/web-based platforms and tools for the control, management, coordination and protection of social media activity and websites; software for controlling and monitoring access to social media websites; reporting software for use with social media; social media and messaging software; parts, fittings and accessories for the aforesaid goods; all of the aforesaid relating to the control, operation, management, coordination and protection of social media activity or social media networking activity, and none of the aforesaid relating to the physical control or restraint of groups or assemblages of people at a common physical location.

Class 16: Paper, cardboard and goods made from these materials; printed matter; stationery; printed publications; printed publications relating to social media, the internet, risk management, computer software, advertising, report generation and online security; all of the aforesaid relating to the control, operation, management, coordination and protection of social media activity or social media networking activity, and none of the aforesaid relating to the physical control or restraint of groups or assemblages of people at a common physical location.

Class 35: Marketing, advertising and promotion services; market research and information services; auditing; business management and administration; electronic data storage; advertising services provided via the Internet; data processing; provision of business information; risk management services; risk management services relating to online security and social media; all of the aforesaid relating to the control, operation, management, coordination and protection of social media activity or social media networking activity, and none of the aforesaid

relating to the physical control or restraint of groups or assemblages of people at a common physical location.

Class 38: Providing access to computer, electronic and online databases; providing access to web-based tools, platforms and dashboards for the control, management, coordination and protection of social media activity and websites; telecommunications services; electronic transmission of data, messages and information; providing access to third party websites via a central or universal login; providing electronic bulletin boards; providing online services for users to transfer data among multiple websites, including social media websites; providing access to computer databases in the area of social networking; all of the aforesaid relating to the control, operation, management, coordination and protection of social media activity or social media networking activity, and none of the aforesaid relating to the physical control or restraint of groups or assemblages of people at a common physical location.

Class 42: Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; computer programming; installation, maintenance and repair of computer software; computer consultancy services; design, drawing and commissioned writing for the compilation of websites; creating, maintaining and hosting the websites of others; application service provider (ASP) services; hosting computer software applications of others; provision of customised web pages containing user-defined or specified information, audio/video content, text, graphics and data; all of the aforesaid relating to the control, operation, management, coordination and protection of social media activity or social media networking activity, and none of the aforesaid relating to the physical control or restraint of groups or assemblages of people at a common physical location.

The application was published in the Trade Marks Journal on 30 December 2011.

The Pleadings

2) On 29 March 2012 Lotame Solutions Inc (“the Opponent”) filed opposition to the registration of the above application for all the goods and services sought to be registered. The opposition is based on a ground under section 5(4)(a) of the Trade Marks Act 1994 (“the Act”), and was pleaded as follows:

As a result of the use of the mark CROWD CONTROL for many years the Opponent owns substantial goodwill in the mark within the UK and elsewhere. The Applicant’s use and/or registration of an identical mark for identical/similar and/or complementary goods and services constitutes a

misrepresentation that the Applicant is in some way connected with or otherwise endorsed by the Opponent, which is not the case.

There is a real risk that relevant sections of the public will be confused into assuming some form of trade connection or economic affiliation between the Applicant and the Opponent. Such confusion will inevitably lead to damage to the Opponent in the form of lost sales and/or dilution to its distinctive CROWD CONTROL mark and the reputation and goodwill attached thereto which has been built up by the Opponent over many years.

The Opponent states that it has used the sign CROWD CONTROL (“the Opponent’s sign”) since at least as early as May 2007, and that it has been used in relation to the following goods and services:

Computer software; marketing, advertising and promotion services, market research and information services; data processing, design and development of computer software, provision of customised web pages containing user-defined or specified information, audio/video content, text, graphics and data.

3) The Applicant filed a counterstatement, denying the grounds of opposition. It can be summarised as follows:

It admitted neither that any such earlier right had been used, nor that it had been used in relation to the goods and services listed by the Opponent, nor that the Opponent owned substantial goodwill in any CROWD CONTROL mark in the UK or elsewhere, which pre-dated the filing date of the present application. The use and registration of the Applicant’s mark could not therefore constitute a misrepresentation. The Applicant denied that any sections of the public would be confused as regards any form of trade connection/economic affiliation between the Applicant and the Opponent, and that there was any risk of damage to the Opponent.

4) The Opponent filed evidence and submissions. The Applicant filed submissions. The Applicant requested a hearing, and the case came to be heard before me on 23 May 2013, the Applicant being represented by Mr Geoffrey Pritchard, of counsel, instructed by Forrester, Ketley & Co and the Opponent by Mr Tom Alkin, also of counsel, instructed by Bristows.

The evidence

5) The Opponent’s evidence consists of a witness statement of Mr Andrew Monfried, dated 21 November 2012. The Applicant filed no evidence, confining

itself to submissions in reply. I have taken these submissions fully into account in my appraisal of the Opponent's evidence.

6) In his witness statement Mr Monfried made the following statements. Mr Monfried is the Chief Executive Officer of the Opponent, a private company founded by him in 2006. The Opponent's clients include publishers, internet content providers (large media publishing companies), advertising agencies, marketers and other brands owners. The Opponent's digital platform for data management, known as CROWD CONTROL, enables its clients to collect, review, collate and analyse audience data, providing valuable insights into marketing strategies and informing decision-making in relation to future advertising campaigns and other marketing initiatives. By breaking down audience data into specific terms or groups, the Opponent makes it much easier for its clients to build the right audience for a particular marketing campaign. The Opponent's CROWD CONTROL software and service offering was launched in the US in December 2006/January 2007, and was marketed in the EU (specifically in the UK) and available to clients from May 2007. From this time the CROWD CONTROL mark ("the Opponent's mark") was used by the Opponent in various ways: in presentations to clients (and potential clients) in which the mark is referenced and described; in independent news articles mentioning the CROWD CONTROL platform and announcing partnerships between the Opponent and third parties in relation to the platform; in emails from UK-based (and US-based) employees of the Opponent to the Opponent's clients (and potential clients) describing the CROWD CONTROL platform and giving them access to it.

7) Mr Monfried says it is important to note the very niche, specialised market in which the Opponent operates (and in which the Applicant operates). The Opponent's CROWD CONTROL product and service offering is sold to other businesses: internet content providers, e-commerce websites, and online marketers. Its target market is not the general public. The companies who know the Opponent's CROWD CONTROL product and services are those who understand first, second and third party data collection and use, online audience building and online advertising targeting.

8) The evidence which Mr Monfried exhibits to support the evidence of his witness statement is sometimes inconclusive. The rather loose reference (in paragraph 4 of Mr Monfried's witness statement) to presentations made after May 2007 to "clients and potential clients" and (in paragraph 12) to "clients" contacted by Mr Stark might give the impression that some contracts had been concluded before the relevant date. Mr Alkin agreed, however, that there is no dispute that the first UK "sale" of the Opponent's CROWD CONTROL platform occurred after the filing date. In this context I think Mr Monfried's reference in paragraph 7 to his having "promoted and sold" the platform, though the supporting evidence in **Exhibit 1** does not show a sale, is another example of loose wording. In paragraph 4 Mr Monfried mentions "independent news articles

mentioning the CROWD CONTROL platform and announcing partnerships between the Opponent and third parties in relation to the platform”. No examples of such articles are exhibited. There is no evidence on whether the single press release text in **Exhibit 4** found its way into any publications circulated in the UK.

9) Mr Pritchard observed that Mr Monfried “puts his case very high”. Mr Pritchard also quoted Lord Mansfield’s well-known aphorism, cited by Lord Bingham in *Fairchild v Glenhaven Funeral Services Ltd* [2002] UKHL 22 and in *CLUB SAIL O-074-10*: “... all evidence is to be weighed according to the proof which it was in the power of one side to have produced, and in the power of the other side to have contradicted”. I consider those comments apt, and bear in mind that I must look critically at whether what Mr Monfried says is supported by the documents or whether he is overstating the position.

10) **Exhibit 1** to Mr Monfried’s witness statement consists of an email exchange with Microsoft UK, setting up a conference call to “walk you through our Crowd Control interface”. **Exhibit 2** comprises a similar exchange with CIS Internet Ltd t/a Faceparty.com, to arrange a face-to-face demonstration to give “an in-depth background on “Crowd Control – our technology”. Both exchanges are from May 2007. There is no evidence of post-2007 follow-up.

11) **Exhibit 3** shows part of a presentation which Mr Monfried says was given by the Opponent in June 2007 to *LastFM*, a UK-based music website. Each slide bears the mark: LOTAME™. Under the heading “Rapid Growth – Milestones” a bullet point on one slide reads “Launch of Crowd Control – Jan ‘07”. Mr Monfried comments “Lotame’s CROWD CONTROL software and related service offering have been invaluable to the company [i.e. *LastFm*] in building its business within the UK”. However, no further evidence of follow-up after the presentation, or of any resulting business with *LastFM*, is given. **Exhibit 5** shows two slides from a presentation given by the Opponent in April 2009 to the London Organising Committee of the Olympic and Paralympic Games, together with associated data reports. The first (presumably opening) slide bears the LOTAME mark very prominently with the message: “Locate, Target & Message with Social Media” and “London 2012”. Under the heading “COLLECTING DATA, the other slide bears the message “Lotame’s Crowd Control Technology ▪ Sits on EVERY pub page ▪ Collects VALUABLE & EXTENSIVE Data”. The LOTAME mark is very prominently featured at the top of both data reports, which are headed LOTAME™ I.D. Reports”, and bear the message: “Lotame is the premier aggregator of social media platforms, offering unparalleled user-targeting through its Crowd Control™ technology”. I think it is fair to say that CROWD CONTROL seems to play very much a subordinate role in both presentations. The mark primarily being promoted is LOTAME, and I think this is the mark most likely to remain in the memory. Attendees may have registered CROWD CONTROL at the time. However, in the absence of evidence of subsequent follow-up or reinforcement of CROWD CONTROL in their minds, I think it will have been eclipsed in their consciousness over a relatively short passage of time by the

LOTAME mark. The slides and data reports are accompanied by a brief email exchange in which CROWD CONTROL is not mentioned: “.....I have attached an informational PowerPoint on Lotame’s capabilitiesI have also attached a couple Data Reports [sic] that Lotame compiled on specific audiences within our co-op of users ...”. I consider it unlikely that the respective audiences would have retained an association with the mark CROWD CONTROL at the date of application for the Applicant’s mark: 28 April 2011.

12) **Exhibit 6** consists of emails from July 2010 with a proposal (in the form of an attached presentation referring to “Lotame’s Crowd Control technology”) to assist with a UK awareness campaign for *Gap*. There is no evidence of subsequent follow-up.

13) **Exhibit 4** consists of a press release text marked “London, UK AND New York, US: February 2 2009”, announcing a partnership between the Opponent and *Open Amplify*, which Mr Monfried describes as a company specialising in natural language processing and text analysis, with offices in the US, UK and Sweden. No evidence is given of resultant exposure in UK media. The main body of the text projects the LOTAME brand. The “About Lotame” note at the end of the release observes that “Lotame has specifically designed its patented Crowd Control platform to take full advantage of the unique attributes of social media”. Mr Monfried comments: “The Opponent’s CROWD CONTROL technology and service platform was the predominant feature of the UK and Swedish partnership with Open Amplify from February 2009, and generated significant goodwill for the Opponent and its CROWD CONTROL software and service offering”. However, no further evidence or more specific information is provided, and I am unable to infer any tangible contribution to goodwill in the UK on the basis of this exhibit.

14) Mr Monfried says (in paragraph 12 of his witness statement): “From July 2010, and in order to facilitate its growing UK business operations and market the CROWD CONTROL platform within the EU, the Opponent employed a dedicated Managing Director (Mr Chris Stark) based in the UK. From July 2010 Mr Stark was instrumental in promoting the CROWD CONTROL system to UK businesses in the Opponent’s niche market, by both email and face-to-face meetings. The following [**Exhibits 7-27**] are just representative samples that the Opponent has been able to retrieve from its archive system”. In paragraph 6 of his statement Mr Monfried says: “Please note that given the commercially sensitive nature of much of the Opponent’s evidence, only relevant excerpts of each item are given, which specifically show use of the CROWD CONTROL mark and in relation to the relevant territory (e.g. in Exhibit 3, only pages of the presentation have been submitted that show specific use of the CROWD CONTROL mark and the relevant covering emails to the recipient)”.

15) **Exhibits 7-27** consist of email chains evidencing Mr Stark’s activities vis-à-vis a number of organisations. Mr Pritchard submitted that I should assume

these emails represent the high water mark of the Opponent's case, since it was entirely within the Opponent's power what evidence it put in. Mr Alkin submitted that, in view of the criterion Mr Monfried had used in selecting them, and that Mr Stark was employed as a dedicated MD from July 2010 to market the CROWD CONTROL platform, I could legitimately infer that they do not represent the extent of Mr Stark's use of CROWD CONTROL and his promotional contacts in the UK in the relevant period; rather, they are supposed to give a flavour of what he was doing.

16) I consider it is clear that selection of the target firms in **Exhibits 7-27**, identifying persons to talk to, approaching them, giving technical background and (where this was done) setting up meetings, providing demonstrations, and setting up trial use of the platform, will have required a considerable amount of work, not necessarily explicitly referenced in the relevant email chains. However, I have no evidence as to whether Mr Stark worked full time for the Opponent, nor what his hours of work were. Moreover, Mr Monfried says (in paragraph 12 of his statement): "Between July 2010 and May 2011 Mr Stark engaged with large numbers of prominent UK *and EU-based* [my italics] businesses ...". I have no evidence as to what proportion of his time may have been spent on non-UK contacts.

17) Mr Monfried continues (in paragraph 12): "In addition to the correspondence and activities noted below [in **Exhibits 7-27**] demonstrations of the Opponent's CROWD CONTROL platform were given to (and meetings held with) the UK and EU offices of companies such as Tesco, Sky, Hearst Corporation, ITV Online, Virgin Media, Orange/France Telecom and MySpace, which collectively constitute a substantial portion of the overall market for the Opponent's goods and services". I give this evidence some weight, but its usefulness is limited by the fact that I have no further background information on the nature of the meetings or demonstrations held, their dates, or even which of them related to the UK market. I am not given figures (or even rough estimates) of the total numbers of companies which Mr Stark respectively contacted, gave demonstrations to, or arranged trials for. I must therefore make my assessment on the basis of **Exhibits 7-27**, bearing in mind the above list of companies which Mr Monfried says were also contacted. Rather obliquely, Mr Monfried then continues: "Arguably, the most successful marketing/promotional campaigns for the CROWD CONTROL platform revolved around emails from Mr Stark to the Opponent's clients, as follows". There follows his summary of **Exhibits 7-27**. I therefore assume that the evidence in **Exhibits 7-27** represents the Opponent's best evidence, although everything is borne in mind when assessing the overall picture.

18) **Exhibits 7-27** show a total of 21 companies being contacted by Mr Stark and offered demonstrations, and in some cases trials, of the Opponent's "CrowdControl" platform in the period from the end of September 2010 up to the relevant date. In all cases, some kind of meeting or conversation seems to have

taken place. In no case did the approach lead to a sale before the relevant date, but the degree of interest shown by the parties approached varied. In some cases, no further contact after the initial conversation is shown from the person approached. In **Exhibit 8**, for example, Mr Stark's "target" writes on 11 August 2010 "I'd prefer just a quick phone chat since this is an introductory meeting. Happy to meet in person if we see fit and choose to continue", and a time for the call is arranged. No further response is shown from the target company, despite a follow-up email from Mr Stark on 14 October 2011. In cases like this, where interest has quickly fizzled out, if there was much interest to begin with, I think it unlikely that the persons targeted will have retained an association in their minds between the name CrowdControl and the Opponent's digital platform .

19) Other exhibits show a greater degree of interest being aroused, particularly where Mr Stark's targets are firms specialising in marketing, promotional or advertising services. Following meetings and presentations from Mr Stark, Dunn Humby (**Exhibit 9**), Gorilla Nation (**Exhibit 11**), Glam Media (**Exhibit 18**), Global Digital Markets (**Exhibit 19**), and Unanimis (**Exhibit 27**) were all sufficiently interested to request trials of the platform. A greater degree of interest was also shown by publishers. Following presentations from Mr Stark his contact at the Daily Telegraph was given online access to the platform (**Exhibit 17**). Universal-Island Records ("Definitely interested in meeting up to discuss further" – **Exhibit 24**) and the Milton Keynes Citizen ("I'd love to get you along to our next meeting" – **Exhibit 26**) were both sufficiently interested to schedule second meetings.

20) It would have been helpful to see the presentations given by Mr Stark. Although they were apparently sent as attachments in two of the exhibited emails, they were not filed in evidence. In Mr Monfield's earlier presentations in **Exhibits 3 and 5** the LOTARME brand was very clearly predominant. I consider that LOTARME must also be considered the primary brand in the email correspondence. However, I do not consider that the Opponent is simply using the name CrowdControl as a convenient label for its platform; it also wishes the name to be associated with its platform in the minds of its potential clients. The name CrowdControl may well fade more quickly in their minds than the LOTARME brand; and, with the exception of **Exhibits 25 and 27** (discussed below) there is no evidence in any of these cases of follow-up by either party following the second scheduled meeting or trial. However, given that Mr Stark's meetings and presentations, and the trials he set up, all took place in the seven-month period before the relevant date, I think it likely that the recipients would still have associated the name CrowdControl with the Opponent's digital platform at the relevant date.

21) In only two cases did Mr Stark's efforts lead to the conclusion of a contract – and in both cases it was concluded after the relevant date. **Exhibit 25** shows Mr Stark contacting Bebo in February 2011 to ask if he can be put in touch with someone in Bebo's UK offices with whom he can discuss "our Data Management Platform, CrowdControl". A reply on the following day invites him to send further

information with a view to further discussion. A contract for the licensing of the Crowd Control platform was subsequently signed on 26 September 2011. However, there is no further evidence on which I can conclude that an awareness of the Crowd Control brand sufficient to give rise to any goodwill was established in Bebo before the relevant date, as opposed to during the period of five months between the relevant date and the conclusion of the contract.

22) **Exhibit 27** contains a contract licensing the Opponent's Crowd Control platform to Unanimis Consulting Limited, which Mr Monfried describes as a UK-based advertising and publishing network. An extract from the company's website shows that it is located in the UK. An email of 1 March 2011 from the company to Mr Stark states that his presentation had "sparked a great deal of interest", and requests the setting up of a pilot. An email of 11 March 2011 from Mr Stark, gives technical details for the pilot of the platform (referred to as "CrowdControl" and "the CrowdControl tool"). This led to Unanimis signing a licensing agreement on 11 June 2011, with effect from 9 May 2011 (11 days after the relevant date), for use of the platform. However, an inference that substantial awareness of the CrowdControl brand was established with Unanimis before the relevant date is clearly warranted here.

23) At the hearing Mr Alkin did not seek to rely on the material in **Exhibits 28, 29 and 30**, and so I do not consider them.

Goodwill

24) The requirements for this ground of opposition can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD Trade Mark* [1998] R.P.C. 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

(1) that the opponent'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 applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponent;
and

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

25) The nature of goodwill was explained in *Muller & Co's Margarine Ltd* [1901] AC 217 at 223 as follows:

"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.”

26) At paragraph 125 of the recent decision *Starbucks v British Sky Broadcasting* (“*Starbucks*”) [2012 EWHC 3074] Arnold J quotes from his own judgement at first instance in *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* to provide a useful summary of legal principles relevant to the present case:

“In *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 , I stated six propositions of law on this question, together with some of the authorities that supported them, as follows:

212. First, the basis of a claim for passing off is the right of property in the goodwill likely to be injured by the defendant's misrepresentation: see *Spalding & Bros v A.W. Gamage Ltd* (1915) 32 RPC 273 .

213. Secondly, goodwill has no independent existence but is attached to a business: see *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1910] AC 217

214. Thirdly, goodwill is local in character and divisible, so that if the business is carried on in several countries a separate goodwill attaches to it in each: see *IRC v Muller* and *Star Industrial Co Ltd v Yap Kwee Kor* [1976] FSR 256 .

215. Fourthly, in order to found a passing off claim in the United Kingdom, the claimant must own goodwill in the United Kingdom. It is not enough to have a reputation here: see *Anheuser-Busch Inc v Budejovicky Budvar NP* [1984] FSR 413.

216. Fifthly, it is sufficient for goodwill to exist in the United Kingdom that the claimant has customers or ultimate consumers for his goods here, and for this purpose it is immaterial whether the claimant (a) has some branch here or (b) trades directly with customers here without having any physical presence in the jurisdiction (for example, by mail order) or (c) trades through intermediaries such as importers and distributors (provided that the circumstances are not such that the goodwill is owned by the intermediary): see e.g. *SA des Anciens Etablissements Panhard et Levassor v Panhard Levassor Motor Co* [1901] 2 Ch 513 , *Manus v Fullwood & Bland* (1949) 66 RPC 71 , *Nishika Corp v Goodchild* [1990]

FSR 371 , and *Jian Tools for Sales v Roderick Manhattan Group* [1995] FSR 924”

At paragraph 135 he continues:

“135 counsel for PCCW submitted that it was clear that in appropriate circumstances protectable goodwill can arise as a result of advertising or promotion even though the advertised or promoted goods or services are not yet available for purchase or acquisition. To my surprise, counsel for Sky disputed this. In my judgment, counsel for PCCW is correct: see Wadlow at §§3–063 to 3–073 and in particular *Turner v General Motors (Australia) Pty Ltd* (1929) 42 CLR 352. Whether a protectable goodwill has actually arisen as a result of advance advertising or promotion will depend on the particular facts”.

Finally, at paragraph 146 he observes:

146 I accept that the reputation which PCCM's NOW TV service had acquired amongst UK residents in the three ways I have described by 21 March 2012 was modest, but I do not consider that it was *de minimis*: compare the cases discussed in Wadlow at §§3–012, 3–013 and 3–063 footnote 201¹, which demonstrate that the law of passing off protects quite small reputations. For the reason given in paragraph 134 above, I do not regard it as a bar to PCCW's claim that the reputation was confined to the Chinese-speaking community. On the other hand, for the reason given in paragraph 131 above, I agree that, as a general proposition, the mere accessibility of material in the UK via websites does not give rise to a protectable goodwill.

27) In *Hart v Relentless Records* [2002] EWHC (“*Relentless*”) 1984 at paragraphs 61 and 62 Jacob J made clear that to qualify for protection under the law of passing-off, any goodwill must be of more than a trivial nature:

61 So here the question is whether at the time of the application to register the first defendant's use of “*Relentless*” was liable to be prevented by passing off. That is the question raised by the original claim. Up until now I have indicated that the claim is very weak. It now falls for consideration as to whether it is so weak as to have “no real prospects” of success. I have summarised the factual position already. In summary the name “*Relentless*” as denoting the claimant company could have been exposed

¹ The footnote relates to the proposition “Goodwill is normally created by trading, and very slight trading activities have been held to suffice” in the main text. It reads “Foreign claimant cases provide many examples. For instance: *Sheraton Corp of America v Sheraton Motels Ltd* [1964] RPC 202; *Globelegance BV Sarkissian* [1974] RPC 603; *JC Penney Co Inc v Penneys Ltd* [1975] 367 CA; *Metric Resources Corp v Leaemetrix* [1979] FSR 571; *Jian Tools for Sales v Roderick Manhattan Group* [1995] FSR 924.

to no more than a few hundred semi-amateur DJs. How many of them actually remembered it remains unknown, but it is not unreasonable to suppose that a proportion did. There is very little else — perhaps the odd mention on the radio and some ephemeral mentions in a few magazines. In all cases what would have mattered most is the track and performer, not the company name. This is a minuscule reputation. How much it cost to create is unknown — but there is no suggestion of expenditure of any significant money. Yet it is said to create a valuable asset, a goodwill capable of protection by passing off.

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.

28) However, being a small player does not prevent the law of passing-off from being relied upon, as it can be used to protect a more limited goodwill (*Stannard v Reay* [1967] F.S.R. 140, *Knight v Beyond Properties Ltd* 2007 FSR 34 – (“*Knight*”)).

Did the Opponent have goodwill in the UK at the relevant date?

29) The evidence clearly establishes that the Opponent was promoting its product to prospective customers in the UK before the relevant date. In paragraph 18 I discussed eight firms which had expressed potential interest in deploying the Opponent's digital platform in their businesses. In paragraph 19 I found it likely that, as a result of Mr Stark's efforts, these firms would have associated the name CrowdControl as a brand with the Opponent's digital platform at the relevant date. In paragraph 21 I also found that awareness of the CrowdControl brand was established with Unanimis before the relevant date. In order to establish that goodwill existed at that time the Opponent needs to show that it had customers in the UK before the relevant date. This does not mean that there needed to have been actual sales before the relevant date. As Arnold J pointed out in *Starbucks*, goodwill can arise as a result of advertising or

promotion, even where the advertised or promoted goods or services are not yet available for purchase or acquisition. In such a case, where goodwill is generated by advertising alone, “customers” can only mean prospective customers.

30) In the case of *Unanimis* (**Exhibit 27**) the degree of interest shown by the customer, and the setting up of the pilot, before the relevant date, together with the conclusion of a sale relatively soon after the relevant date, lead me to infer that this contributes to a goodwill before the relevant date. In the case of the other seven target firms I discussed in paragraph 18, given that Mr Stark’s meetings and presentations, and the trials he set up, all took place in the seven-month period before the relevant date, I think it likely that these prospective customers would still have associated the name CrowdControl as a brand with the Opponent’s digital platform at the relevant date. Some goodwill therefore existed with these firms at that date. The question is whether goodwill of this type and extent would have been sufficient to ground an action for passing off at the relevant date.

31) In *Sutherland v V2 Music Ltd* [2002] EWHC 14 (“*LIBERTY*”) Laddie J said:

“22. There is one other general matter to deal with before turning to the facts, namely the size of the claimant's reputation. At some point a reputation may be respected by such a small group of people that it will not support a passing-off action. Neither Mr Purle nor Mr Speck were able to formulate a test for this bottom level. Mr Purle said it was a matter of fact and degree. I agree with that. The law of passing-off protects the goodwill of a small business as much as the large, but it will not intervene to protect the goodwill which any reasonable person would consider trivial”.

32) Mr Pritchard submitted that establishing that one, two, three or even ten companies are within the goodwill will not establish more than trivial goodwill unless it can be shown that the market is small enough (as it was in the territorially limited market in *Stannard v Reay*) for this to be regarded as sufficient. (He also pointed out that Mr. Monfried says (at paragraph 5 of his witness statement) that “The market consists of large internet content providers such as media and publishing companies, e-commerce websites and online marketers”, and observed that this is a broad category).

33) Mr Alkin submitted that the Opponent’s digital platform is a specialist, technical product. Before prospective customers can decide whether or not they want to use it they have to be educated about what it does and what it can do in the context of their business. It requires thought as to how it can be incorporated into their own business model. The process of building up goodwill in a product such as this, he argued, is a subtle one, and consists as much in education and paving the way for demand as in demand itself. While I accept that a product of

this nature may require such an approach, I do not accept that further, more general publicity would not assist the process of forming goodwill. Indeed, I think this is implicit in the preparation of the press release text in **Exhibit 4** (though the main text in fact promotes the Lotame brand, the Opponent's "patented Crowd Control platform" only being mentioned in the end note). The problem is that there is no evidence that its mention of the CrowdControl platform found its way into any publications circulated in the UK.

34) In the course of their submissions counsel drew my attention to a number of cases in which the issue of triviality of goodwill was addressed.² However, as Mr Alkin acknowledged, one must be wary of inappropriately reasoning by analogy to cases which really concern very different facts in a number of subtle ways. The test is whether a reasonable person would consider the goodwill in issue trivial; the question is one of fact and degree.

35) The pattern that emerges from the evidence is that a number of companies in the UK have been approached from 2007 by Mr Monfried, and from 2010 by Mr Stark, and had the Opponent's digital platform explained to them by reference to the term CROWD CONTROL. In some cases further meetings, demonstrations and trials were arranged. With the exceptions of Bebo and Unanimis, there is no evidence of further interest on the part of the target company, or further follow-up by the Opponent, following these respective meetings, demonstrations or trials. Interest seems to have fizzled out. With the exceptions of Bebo and Unanimis, there is no evidence that sales resulted. There is no evidence of general advertising or mentions in the trade press such as could have reinforced the brand CROWD CONTROL in the minds of the relevant public. In the absence of such reinforcement I have found that awareness of the brand would have faded by the relevant date, except among the eight companies I discussed in paragraph 18. Even if one were to take into account the possibility of a similar degree of brand awareness among the list of six companies which Mr Monfried says were contacted in addition to those in **Exhibits 7-27**, would awareness of this nature among such a group amount to an "attractive force which brings in custom" sufficient to support a claim for passing off? I regard it as trivial for the purposes of passing off. Given my finding that goodwill was of no more than a trivial level **the opposition fails in its entirety**

Costs

36) Crowd Technologies Limited has been successful and is entitled to a contribution towards its costs. At the hearing Mr Pritchard invited me to find that the evidence presented by the Opponent was wholly inadequate, and to reflect this in my award of costs. I have already observed that I found the Opponent's

² *Sutherland v V2 Music Ltd* [2002] EWHC 14; *Hart v Relentless Records* [2002] EWHC; *Stannard v Reay* [1967] F.S.R. 140; *Knight v Beyond Properties Ltd* 2007 FSR 34; *Chelsea Man v Chelsea Girl (No 1)* 1985 FSR 567.

evidence sometimes inconclusive, but I do not consider that this should mean, in this case, that anything other than costs from the standard scale should be awarded. I hereby order Lotame Solutions Inc to pay Crowd Technologies Limited the sum of £2,150. This sum is calculated as follows:

Preparing a statement and considering the other side's statement	£400
Considering and commenting on the other side's evidence –	£1,000
Preparing for and attending a hearing –	£750

37) The above sum should 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.

Dated this 16th day of July 2013

**Martin Boyle
For the Registrar,
The Comptroller-General**