

Taking your name in vain

When another organisation has a similar name to your charity, this can raise reputational and financial risks that need careful consideration.

Catharina Waller
explains how a charity
can respond if it finds
that a non-charitable
company is using an
identical or similar name.



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Catharina's specialities include trade mark clearance, registration and enforcement, as well as management of large international trade mark and patent portfolios.

In the charity world we fairly frequently come across non-charitable companies that have been registered with names that are quite similar to charities' names, whether deliberately or not. This can be problematic. It may mean that donations or legacies are mistakenly sent to the unrelated company. And there can be confusion as to the source or quality of the company's activities and potential damage to the charity's reputation.

The first step for the charity will be to consider its legal position and whether it can encourage or force the company to change its name. There are a few different mechanisms to consider. Relevant factors include whether the charity is incorporated, what working names the charity uses, how similar the two names are, whether there is any evidence of opportunism, how the company's name is being used, whether the charity has a trade mark registration protecting its name and whether the charity's name has a strong reputation. Options include administrative actions such as complaints to Companies House or the Company Names Tribunal, legal actions such as an action for trade mark infringement or passing off, or practical solutions such as blocking use of the name online or on social media.

In many instances the parties can come to an agreement, whether for the company to change its name or for the parties to co-exist. However, in preparing such agreements care must be taken to consider all of the relevant issues.

A recent court case between the well-known car manufacturer BMW and an individual by the name of Benjamin Michael Whitehouse, and his company BMW Telecommunications Limited, highlighted the importance of ensuring that both the company and its director(s) are bound by the settlement agreement.

Mr Whitehouse, whose initials were clearly 'BMW', had initially registered a company called BMWAssociates – which he referred

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to as his 'little one-man band telecom railway company'. A co-existence agreement was reached between BMW (the car manufacturer) and BMWAssociates, under which BMWAssociates agreed to limit its use of the initials 'BMW'. Mr Whitehouse later registered a different company, called BMW Telecommunications Limited, but the court found that this was not in breach of the co-existence agreement, because Mr Whitehouse himself had not been party to that agreement.

At this point BMW brought a further action for trade mark infringement and for passing off, in which it was successful. However, had it obtained undertakings from Mr Whitehouse at the same time as the co-existence agreement had been signed, the expense associated with bringing an action for infringement and passing off could have been avoided.

In a climate where judicious use of charitable funds is key, this is a valuable lesson in ensuring that agreements are drafted robustly and suitably for the situation.

FIND OUT MORE

If you have any concerns about the protection of your charity's name and reputation, please contact a member of our Branding, IP and Trade Marks team: <https://bateswells.co.uk/services/intellectual-property-and-trade-marks/>