

O-063-17

Companies Act 2006

In the matter of application No 1100

By ORACLE INTERNATIONAL CORPORATION

For a change of the company name of registration

No 09885853

Background, Claims and Defences

1. ORACLE DATABASE CONSULTANTS LTD was incorporated on 24 November 2015. On 4 February 2016 its name was changed to ORACLE DATABASE CONSULTANTS LTD (hereafter ‘the primary respondent’).¹

2. On 5 February 2016, ORACLE INTERNATIONAL CORPORATION (hereafter ‘the applicant’) applied for an Order under section 69 of the Companies Act 2006 (‘the Act’) for the company name ORACLE DATABASE CONSULTANTS LTD to be changed.

3. At the request of the applicant, the primary respondent’s director, Naresh Bhopal, was joined to the proceedings under the provisions of section 69(3) of the Act. Mr Bhopal was given notice of this request and an opportunity to comment or to object. The Tribunal received no comments or objections from Mr Bhopal. Mr Naresh Bhopal (hereafter ‘the co-respondent’) was joined to these proceedings on 7 April 2016.

4. Section 69 of the Act states:

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

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

¹ See paragraph 10 for the explanation of reasons for the name change provided by the co-respondent.

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

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

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

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

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

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

(b) that the company—

(i) is operating under the name, or

(ii) is proposing to do so and has incurred substantial start-up costs in preparation, or (iii) was formerly operating under the name and is now dormant; or

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

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

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

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

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

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

(7) In this section 'goodwill' includes reputation of any description."

5. The applicant states that the name associated with it is ORACLE.

6. The applicant claims goodwill and a reputation in the field of computers and computer software. It submits:

"The Applicant is part of the Oracle Corporation group of companies. Oracle Corporation is the world's largest business software company. It has over 390,000 customers in over 145 countries and posted revenue of \$38.2 billion for the 2015 fiscal year."

7. It submits that Interbrand's 'Best Global Brands' listing for 2015 estimates the value of the ORACLE brand at over \$27 billion and ranks it as the 16th biggest brand in the world. Oracle Corporation UK Limited, a subsidiary of the applicant was incorporated on 12 January 1984.

8. The applicant provides a non-exhaustive list of some of its goods and services including:

- Oracle Database: A range of database products including the first relational database designed for grid computing – includes databases and data warehousing.
- Oracle Fusion Middleware: Middleware (i.e. computer software that connects software components or applications) designed for large and mid-sized businesses.
- Oracle Applications: A range of software applications including customer relationship management, human capital management, supply chain management, financial management, governance, risk and compliance management and transportation management applications supplied to a full range of industries.
- Oracle University: Delivers Oracle Product Training and Oracle Certification Training through instructor-led training courses, private event training and live virtual class training and offers 55 courses covering virtually all of Oracle's products.
- Oracle Consulting: Software assembly, optimisation and management services.
- Oracle Support: Comprehensive maintenance and problem resolution for Oracle technology and application products.

9. The applicant claims that the part of the primary respondent's company name which is not descriptive, namely ORAC1E, is sufficiently similar to the name 'Oracle' in which the Applicant and Oracle Corporation UK Limited have goodwill and that its use in the UK would be likely to mislead by suggesting a connection between the primary respondent and the applicant.

10. The applicant's representative contacted the primary respondent on 2 December 2015 and asked it to change its name.² The primary respondent replied on 4 December 2015 refusing to do so. The applicant's representative sent a further letter on 18 January 2016. The primary respondent replied on 1 February 2016 stating that it had changed its name from Oracle Database Consultants Ltd to Orac1e Database Consultants Ltd. The applicant requests that the Tribunal enforce a change of name for the primary respondent company which does not include Oracle, Orac1e or any similar term.

11. The primary respondent filed a counterstatement (form CNA2), which was completed by the co-respondent Naresh Bhopal. That section of the form which specifically asks the primary respondent to set out any defences upon which it wishes to rely was left blank. However, under the section which asks for a concise statement of grounds in support of the primary respondent's company name registration the co-respondent made the following points (reproduced as written),

“Agree that [the applicant's representative] contacted us via letter to change the company name. Agree we subsequently change the company name. We also state we will not sign any undertakings, and since the company has been changed. We believed the matter was now resolved. Sadly we were mistaken.”

12. Under the section of the form which asks which of the allegations you are unable to admit or deny and which you require the applicant to prove, the co-respondent wrote (reproduced as written):

“We wrote to inform [the applicant's representative], that there are over 700 companies with the name Oracle in the companies directory. We gave them seven names. They have responded that one of companies mentioned refers to car parts and is acceptable to them, we accept their statement, for this one company only...”

² At that point the respondent's company name stood as 'Oracle Database Consultants Ltd'.

Do [the applicant's representatives] believe, that my company name will detract from Oracle Corporation and ORAC1E Database Consultants Ltd, they do not seem anything alike. The company name is pronounced 'ZERO RAC ONE E' and so cannot be mistaken for Oracle.

As [the applicant's representatives] have already stated, that Oracle have turnover in the billions of dollars. Our company would generate an income approaching only six figures sums, and at the moment the company is not trading.

The company has only a single consultant, the work, is found from job boards and we do not misrepresent ourselves as being affiliated to Oracle. The contract will be the only place where company name will be mentioned. We will not do any marketing or media advertising.

Our company will not adversely affect the income of Oracle..."

13. These claims relate to potential defences under sections 69(4)(d) and 69(4)(e) of the Act, namely that the name was adopted in good faith and that the interests of the applicant are not adversely affected to any significant extent.

15. The purpose of filing evidence is to establish fact, unless, of course, the fact is so well known that it can be taken into account on the basis of what is known as judicial notice. The primary respondent has not filed evidence. Consequently, it has failed to establish any facts. However, this is not the end of the matter because the applicant must still establish its case and we can still take any argument (but not fact) into account as has been stated in the primary respondent's defence (CNA2).

Evidence

16. The applicant's evidence is given by Ms Rebecca Day in a witness statement dated 7 June 2016. Twelve exhibits are attached to her witness statement. Ms Day is a solicitor for the applicant's representatives. The significant points are as follows:

- The Oracle website, in particular the ‘About’ page for Oracle UK (printed 19 May 2016) states: “With more than 420,000 customers and deployments in more than 145 countries, Oracle offers a comprehensive and fully integrated stack of cloud applications, platform services and engineered systems” (exhibit RD3).
- Oracle Corporation is listed on the New York Stock Exchange. As of May 2016 it had a market capitalisation of over 160 billion USD (RD7).
- Interbrand rankings for 2015 show ORACLE as the 16th ‘Best Global Brand’ (RD10)
- Forbes ‘World’s Most Valuable Brands’ 2016 list places ORACLE 16th overall, 31st most successful in terms of profit and 30th in the world for market value (RD11).
- Oracle’s UK subsidiary was incorporated on 12 January 1984 as Sierra Data Limited. The name was changed to Oracle Corporation UK Limited on 3 February 1984 (RD8).
- Exhibit RD9 is Oracle Corporation UK Limited’s ‘Strategic Report, Directors’ Report and Financial Statements for the year ended 31 May 2014. The opening paragraph of the report is headed ‘Principle Activities’ and reads:

“Oracle Corporation UK Limited has, during the year, been involved in the licensing of software products for information management as well as providing hardware systems, products and services. In addition, the company offers consulting, education, support and systems integration services in support of its customer’s use of those software and hardware products. Throughout the year the company has also continued to offer cloud software subscriptions.”

Page 4 of the report shows turnover for 2013 at £681,148,000 and for 2014 at £672,164,000.

- Exhibit RD12 is made up of a number of press articles including one from *The Financial Times* dated 5 June 2012. It is titled, 'Oracle agrees to buy Collective Intellect'. The body of the text reads:

“The flurry of recent mergers and acquisitions activity reflects the growing importance of both social media and cloud-based services to the corporate customers of the leading enterprise software companies such as Oracle...”

Another of the articles is from *Forbes* at www.forbes.com. It is dated 25 February 2015 and is titled, 'It's Products Galore From Enterprise Software Vendors'. The following passage has been highlighted by the applicant:

“Of Oracle's eight new products, four are big data solutions released together in a bid to close the gap between data scientists and businesses. The global database leader also released three industry-specific solutions for the hospitality, electric utilities and life sciences industries.”

Decision

17. If the primary respondent defends the application, as here, the applicant must establish that it has goodwill or reputation in relation to a name that is the same, or sufficiently similar, to that of the company name suggesting a connection between the company and the applicant. Only if this burden is fulfilled is it then necessary to consider if the primary respondent can rely upon defences under section 69(4) of the Act. The relevant date is the date of application which, in this case, is 5 February 2016. The applicant must show that it had a goodwill or reputation at this date.

Goodwill

18. Section 69(7) of the Act defines goodwill as a “reputation of any description”. Consequently, in the terms of the Act, it is not limited to Lord Macnaghten's classic definition of goodwill in *IRC v Muller & Co's Margerine Ltd* [1901] AC 217:

“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.”

19. The applicant claims that its goodwill or reputation is associated with the name ORACLE.

20. As can be seen from the evidence summary, whilst there is an international dimension to its reputation, the applicant has traded in the UK for a number of years. The UK subsidiary was incorporated in 1984. Evidence filed by the applicant in support of its goodwill shows UK turnover figures for 2013 and 2014 which are in excess of £600m. It is clear from its own annual reports, press articles, stock exchange listings and its own website that the applicant’s trade is in the technology industry.

21. Although the primary respondent does not explicitly accept, in its counterstatement, that the applicant has goodwill, it does say that the high level of turnover means that the applicant will not be adversely affected by the respondent.

22. Taking all of the evidence into account, we find that the applicant has established that it has a goodwill or reputation associated with the name ORACLE.

Similarity of names

23. The next question is whether the primary respondent’s name is sufficiently similar to ORACLE that the use of the primary respondent’s name in the UK is likely to mislead by suggesting a connection between the primary respondent and the applicant.

24. The primary respondent’s name is ORAC1E DATABASE CONSULTANTS LTD. The name associated with the applicant is ORACLE.

25. The primary respondent claims that the first element of its name, ORAC1E, will be pronounced ZERO-RAC-ONE-E.

26. The applicant submits that replacing the letter 'O' with the figure '0' and the letter 'l' with the figure '1' does little (if anything) to change the perception of that word, especially as the figures look very similar to the letters. With regard to the pronunciation suggested by the primary respondent, the applicant submits it is 'utterly implausible'.

27. With regard to the first element of the primary respondent's name, visually, the change of a letter 'O' to a '0' is likely to go unnoticed. Where the respondent's name includes a number '1' in place of the letter 'l' it does not prevent the word being seen as 'Oracle'. The natural inclination when presented with a name is to try and pronounce it. In this case where letters have been replaced with numbers which are very similar in appearance to the letters which they replace, it is highly likely that the primary respondent's name will be seen and pronounced as 'Oracle'.

28. In comparing the names the presence of the word LTD, cannot be considered significant as it simply indicates the corporate status of the company. Indeed, if this had been the only difference between the names then they would have been regarded as the same (see, for example, *MB Inspection Ltd v Hi-Rope Ltd*³).

29. The remaining elements of the primary respondent's name, in addition to the first word, are descriptive of the services in which it has an interest, namely database consultancy.

30. In summary, we find that the primary respondent's name is sufficiently similar to the name associated with the applicant such that its use in the United Kingdom would be likely to mislead by suggesting a connection between the primary respondent and the applicant.

³[2010] RPC 18, paragraph 48

Defences

31. As stated above, the primary respondent relies upon a number of defences including that under section 69(4)(e) of the Act. Such a defence is relevant where it is shown that:

“The interests of the applicant are not adversely affected to any significant extent.”

32. To affect the interests of the applicant adversely to any significant extent, the company name must do more than just sit on the register at Companies House. In this case, the adverse effect must relate to the potential use of the company name in business.

33. It is not entirely clear why this particular defence is being claimed, other than the fact that the applicant has a business with significant turnover which the primary respondent believes will not be adversely affected by its own business.⁴

34. To rely on a ‘no adverse effect’ defence it is for the primary respondent to show, in evidence, what it has done or intends to do. Without such evidence the defence is bound to fail.

35. The fact that the applicant has a business with a high turnover does not mean that it cannot be adversely affected by the use of a very similar name. The parties are both interested in the technology field. More particularly, the evidence filed by the applicant shows that it provides database software, hardware and support. The co-respondent is a database consultant. Given the connection between the names (which we have found earlier in this decision), the potential use by the primary respondent may, for example, divert potential customers from the applicant to the primary respondent. If the services provided by the primary respondent were inferior to those provided by the applicant then this would have an adverse effect upon the goodwill and/or reputation of the applicant, regardless of its turnover.

⁴ The respondent confirmed in its counterstatement that it is not currently trading.

36. For all of the reasons indicated, the “no adverse effect” defence is rejected.

37. With regard to the other defences which have been pleaded by the primary respondent, they cannot succeed in the absence of evidence. For example, the primary respondent claims to have acted in good faith to the extent that the counterstatement confirms that the name was changed from ‘Oracle’ and it was expected that that would be the end of the matter. Such claims require, in respect of ‘good faith’, evidence to show, for example, how the name was selected, what the primary respondent knew at the relevant time, its plans for the business, and so on.

The result of all this is that the primary respondent is unable to avail itself of any defence which, in turn, means that the application for a change of name succeeds.

Conclusion

38. The application is successful. In accordance with section 73(1) of the Act, the following order is made:

(a) ORAC1E DATABASE CONSULTANTS LTD shall change its name within one month of the date of this order to one that is not an offending name;

(b) ORAC1E DATABASE CONSULTANTS LTD and Naresh Bhopal shall:

(i) take such steps as are within their power to make, or facilitate the making, of that change;

(ii) not cause or permit any steps to be taken calculated to result in another company being registered with a name that is an offending name.

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

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

41. All respondents, including Mr Bhopal, have a legal duty under Section 73(1)(b)(ii) of the Companies Act 2006 not to cause or permit any steps to be taken calculated to result in another company being registered with an offending name; this includes the current company. *Non-compliance may result in an action being brought for contempt of court and may result in a custodial sentence.*

Costs

42. The applicant has been successful and is entitled to a contribution towards its costs on the basis of the scale of costs⁵. We award the following:

Fee for filing the application:	£400
Fee for filing evidence:	£150
Preparing a statement and considering the counterstatement:	£400
Preparing evidence:	£500
Total:	£1450

43. ORACLE DATABASE CONSULTANTS LTD and Naresh Bhopal, being jointly and severally liable, are ordered to pay ORACLE INTERNATIONAL CORPORATION the sum of £1450 within fourteen days of the expiry of the appeal period, or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful. Under section 74(1) of the Act, an appeal can only be made in relation to the decision to uphold the application; there is no right of appeal in relation to costs.

⁵ Published in the Practice Direction.

44. Any notice of appeal must be given within one month of the date of this decision. Appeal is to the High Court in England, Wales and Northern Ireland and to the Court of Session in Scotland. The Tribunal must be advised if an appeal is lodged.

Dated this 14TH day of February 2017

Al Skilton
Company Names
Adjudicator

Judi Pike
Company Names
Adjudicator

Chris Bowen
Company Names
Adjudicator