

O-106-06

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2319311
BY PROJECT DESIGN & MANAGEMENT SERVICES LIMITED
TO REGISTER THE TRADE MARK:**

PD&MS

IN CLASSES 35, 37 AND 42

AND

**THE OPPOSITION THERETO
UNDER NO 92081
BY
AVEVA SOLUTIONS LTD**

Trade Marks Act 1994

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by Project Design & Management Services Limited
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under no 92081
by Aveva Solutions Ltd**

BACKGROUND

1) On 21 December 2002 Project Design & Management Services Limited, which I will refer to as Project, applied to register the trade mark **PD&MS** (the trade mark). The application was published for opposition purposes in the “Trade Marks Journal” on 1 August 2003 with the following specification:

economic evaluations being a preliminary study into the feasibility of a project from a commercial viability perspective;

technical and project management services relating to planned maintenance and refurbishment services; technical and project management services in relation to fabrication;

scientific and technological research services; technical advisory, information, consultancy and support services in relation to the oil and gas exploitation and exploration industry, and to the environmental and marine industries; engineering advisory, information, consultancy and support services in relation to the oil and gas exploitation and exploration industry, and to the environmental and marine industries; project management advisory, information, consultancy and support services in relation to the oil and gas exploitation and exploration industry, and to the environmental and marine industries; technical project studies and evaluation; technical research and evaluation; analysis for oil- and gas- field exploitation and exploration; feasibility studies; information, advisory and consultancy services in relation to environment protection; engineering and consultancy services relating to oil, gas and water field exploration and exploitation; design and consultancy services relating to oil, gas and water field exploration and exploitation; provision of engineering and project management services associated with overall drilling equipment set; conceptual studies being preliminary engineering studies into the feasibility of a project from a technical, engineering and legislative perspective; design and design verification services; structural and piping analysis; technical and project management services relating to implementation and commissioning services, all relating to oil, gas and water field exploration and exploitation; engineering advice and consultancy services relating to planned maintenance and refurbishment services; engineering advice and consultancy services relating to implementation and commissioning services, all relating to oil, gas and water field exploration and exploitation; safety and environmental services; information, advisory and consultancy services in relation to the aforesaid services.

The above services are in classes 35, 37 and 42 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 31 October 2003 Aveva Solutions Ltd, which I will refer to as Aveva, filed a notice of opposition to the registration of the application. Aveva states that it is the proprietor of an unregistered trade mark or other sign used in the course of trade, namely PDMS. It states that it first used PDMS in the United Kingdom in 1974. Aveva states that over the past 29 years it has developed a reputation and goodwill under this name in respect of computer software and scientific, technical and consultancy services relating to the oil and gas industries. Aveva states that the trade mark is almost identical to PDMS and the proposed use is for similar and/or identical services. Aveva states that there is, therefore, a misrepresentation upon the part of Project which can only result in damage to Aveva's reputation and goodwill. Consequently, registration of the trade mark would be contrary to section 5(4)(a) of the Trade Marks Act 1994 (the Act).

3) Aveva seeks the refusal of the application and an award of costs.

4) Project filed a counterstatement in which it denies the grounds of opposition and puts Aveva to proof of the claims that it has made.

5) Both sides filed evidence.

6) A hearing was held on 5 April 2006. Project was represented by Mr Fernando of counsel, instructed by Murgitroyd & Company. Aveva was represented by Mr Fiddes of Urquhart-Dykes & Lord LLP.

EVIDENCE

Evidence of Aveva

7) This consists of a witness statement by Michael Steel. Mr Steel is the Corporate Commercial Manager of Aveva. He states that Aveva first used the trade mark PDMS in 1974 when it launched a computer aided design system for the designing of piping systems for industrial plants. Mr Steel states that in 1977 Aveva expanded the scope of the services offered under PDMS so that the system could provide design services which related to the design of complete industrial plants. He states that the purpose of the system sold under PDMS is:

“to enable managers of the engineers to design complex plants from the initial conceptual stage through the various stages of authorisation through to detailed engineering and the construction of such projects.”

Exhibited at exhibit 1 is a copy of the annual report for 1987 for CADCentre Ltd. Within “Operational Review” the following is written:

“The Plant Design Management System (PDMS) is CADCentre's lead product in the highly specialised field of process plant design. A cooperative marketing partnership agreement was signed in the USA with the Digital

Equipment Company. This complements the marketing partnership arrangements with Prime Computer.

The successful use of PDMS began with the earliest modules ten years ago. The system has been progressively enhanced in close collaboration with plant owner and contractor licensees. There are now 67 installations of the product in 12 countries, with additions during the year in the USA, the People's Republic of China, Taiwan, France and the UK.

Sales success for PEGS were achieved during the year in Japan, France, the Netherlands, the UK and the People's Republic of China."

The Chairman's statement describes CADCentre Ltd as "a supplier of advanced software products for specialised markets in the engineering industry".

8) Various promotional materials for CADCentre products are exhibited at exhibit 2. Three parts of this material has no reference to PDMS upon them. Of the material with a reference to PDMS, only one piece bears a date: ImPLANT-I – 1994. Two information sheets are focused upon PDMS. PDMS is described in the following terms:

"PDMS is a three-dimensional (3D) design engineering system for the process plant, oil, gas and power related industries. PDMS dramatically increases efficiency and reduces costs throughout the engineering life cycle, from design through to fabrication, operation and maintenance. PDMS does this by creating an accurate full size 3D computer engineering model which can be accessed by designers, engineers and project managers. Project deliverables, such as drawings and bills of materials, are then generated intelligently from the model, ensuring consistency of information across all design documents."

"Used in over 30 countries, PDMS is managing projects in the chemical, oil, gas, nuclear, power and pharmaceutical industries. PDMS has become the industry standard for 3D engineering and its database is safeguarding project data worth many billions of dollars all over the world. Customers include Asea Brown Boveri, British Nuclear Fuels, DuPont, Electricite de France, Mitsubishi and Shell."

9) Mr Steel states that the majority of the users of the PDMS systems are in the offshore oil and gas industry; he states that the vast majority of North Sea oil rigs have been designed using the PDMS system. Mr Steel states that exhibited at exhibit 3 are examples of the use of the trade mark PDMS by Aveva in respect of similar services to those covered by the application. He states that the PDMS system, because of its ability to be used in the initial planning stages of a large engineering project, would be used in the economic evaluation of the feasibility of a project as well as the technical project management of maintenance and refurbishment projects and in relation to the fabrication of materials. Mr Steel states that the most direct clash between the services of Aveva and those of the application are in class 42. He states that Aveva's PDMS trade mark is very well-known in the oil and gas industry in the United Kingdom; which Mr Steel states are, in the United Kingdom, predominantly based in the Aberdeen area.

10) All the material exhibited at exhibit 3 bears the name of CADCentre Ltd. In none of the material exhibited is there any reference to Aveva. There are CADCentre Ltd annual reports: for the years: 1988, 1990, 1992, 1993 and 1996. The following quotations cast light upon the business conducted in relation to the sign PDMS:

1992 annual report: “PDMS has been used for the engineering of entire plants in the petrochemical, power generation, oil and gas, nuclear, chemical and shipbuilding industries.”

1996 annual report: “The major part of our process plant revenues continues to come from our flagship product PDMS. PDMS is already well-established as the world’s most productive system for the design of complex process plant, and as such is the preferred solution for the offshore sector. PDMS is now extending its popularity into the whole process plant arena world-wide with 32 new customers and 5 new countries in 1995/96. Many of the new customers were in general engineering but a significant number bought PDMS for specialist design applications including electric power generation, detergents, pharmaceuticals, mineral processing and environmental services.”

Also exhibited is the Cadcentre Group plc annual report of 1997. In the report Cadcentre Limited is categorised as a wholly owned subsidiary of Cadcentre Group plc.

There are a number of copies of “Pipeline Process Industry Products Newsletter”, a newsletter of CADCentre Ltd from 1994 and 1995 exhibited. There are references to the following projects or undertakings using PDMS in the newsletters:

Troll Land – onshore plant for the Troll North Sea gas field;
Weyerhaeuser Longview Modernisation (Concentrator);
Weyerhaeuser Longview Liquor Marking;
James River Camas Turbine Generator;
Merck;
Kværner Pulping.

The following quotations are illustrative of the uses of PDMS:

July 1994 – “to be used intelligently not only for the modelling of piping but for the steelwork, ducting, cabling, etc.”

December 1994 – PDMS Spooling Application – “The application has already proved its worth on a live Brown & Root project in the North Sea by eliminating the need for redrafting work and transcription errors, and reducing the overall project timescale.”

March 1995 – “The ‘Advanced Structural Development’ is a major redevelopment of the existing PDMS structural design and detailing capabilities and brings together a multitude of enhancements throughout the product, all aimed towards the goal of establishing PDMS as the first system of choice for structural designers in the process and power industries, from conceptual layout through to full detailing and beyond.”

In a booklet, "Process Plant Design Solutions From Cadcentre" from 1997 under the heading "3D Process Plant Design – PDMS" the following is written:

"The modular structure of PDMS enables you to tailor the system to meet your exact project requirements. Applications have been developed to address very specific design disciplines including structural design, piping design, HVAC design (heating, ventilation and air conditioning), piping isometrics, hangers and supports, database reporting, access stairs and ladders, equipment modelling, electric cable tray, drawing production and cable design."

The booklet includes a page on Cadcentre training courses.

There is literature relating to projects for building power stations that used PDMS; one with Electricité de France and the other with ABB. A booklet entitled "Quality Engineering Software" shows a variety of projects that used PDMS; pictures illustrating contracts with John Brown and China National Offshore Oil Development Company show offshore platforms. The other, and majority, of the projects shown do not relate to the oil and gas industry.

The cover of a folder holding various information sheet shows designs for a gas production platform.

The literature also refers to groups set up for users of PDMS: PDMS and REVIEW User Group (PRUG) and PDMS Users' Group of the Americas (PUGA)

None of the material exhibited, under 1, 2 and 3, appears to have emanated after 1997.

11) Mr Steel states that Aveva's turnover in the United Kingdom in respect of goods and services provided under the PDMS name is as follows:

1999	2,900,000
2000	3,900,000
2001	4,100,000
2002	4,200,000
2003	5,700,000

There is no indication as to the currency; I have assumed that it is pounds sterling. Mr Steel states that during the above periods Aveva has supplied major United Kingdom and international companies with products under the PDMS name; these include BNFL, Amec, Costanes, Simon Cavers, Kellogg Branner Root, Foster Wheeler, John Brown, Caveners, BP Alleco and Shell UK.

12) Mr Steel states that because of the reputation established under the PDMS name, Aveva does not do a great deal of advertising as the trade mark is very well-known within the relevant industry, the offshore oil and gas industry. He states that Aveva does attend trade shows for the relevant industries. He states that Aveva also attends road shows in the United Kingdom where the PDMS product is marketed.

Evidence of Project

13) This consists of a witness statement by David John MacKay who is the general manager and director of Project. A large part of Mr MacKay's evidence can be characterised as submission and a critique of the evidence of Aveva, not evidence of fact. I bear in mind the submissions that Mr MacKay has made in reaching my decision but will not record them here.

14) Mr MacKay states that Project first used the trade mark PD&MS in December 2002. He states that it is very common in the oil and gas industry for companies to be referred to and commonly known by acronyms of the company names. He refers to BP (British Petroleum), SPS (Specialised Petroleum Services), ITF (Industry Technology Facilitator), TSI (Transfer Systems International), ITS (International Tubular Services), RSI (Rig Survey International), FPAL (First Point Assessment Limited), GOT (Gas and Oil Technology), PSI (Pre-serve International and GHS (Global Hydraulics Service).

15) Mr MacKay states that Aveva and Project may be marketing their respective goods and services in the same market, the oil and gas industry, but there is a clear distinction between the type of company that would require Aveva's goods and those that would require the services of Project. He states that Project does not provide any IT related goods or services. Mr MacKay states that Project has not received any queries about Aveva's PDMS product. He states that Project sells man hours and only sells goods as an incidental provision to the services. Mr MacKay states that Aveva's PDMS project is directed towards large companies who would use the system for new builds. Project tends to offer services relating to fairly modest drilling rig and platform upgrades. He states that Aveva's software would not be appropriate for such projects as it would take a great deal of time to recreate the drilling rig in the package before designing and engineering the upgrades. Mr MacKay states that to his knowledge there has been no confusion to date.

16) Mr MacKay states that Project was established in 2002. It is an oil, gas and marine industries integrated service supplier; providing full technical support, engineering and project management services to these and other industries. He states that the integrated services provided by Project include consultancy, conceptual studies, economic evaluations, feasibility assistance, design, design verification, fabrication, implementation, commissioning, planned maintenance and refurbishment, rig audits, special periodic surveys, pre-charter surveys and emergency battery system refurbishment and maintenance. Mr MacKay exhibits at DM01 a copy of the company profile from January 2003. It is headed with the full name of the company. The profile states that Project is involved, inter alia, with "design engineering and design verification associated with drilling rig, production platform and marine systems upgrades and/or new builds". At 4.0 of the profile Project states that inter alia it deals with: "Feasibility, Economical and Conceptual Evaluations for Upgrades and New Field Developments", "Front End Engineering Design Services", "Planning and Project Management". In relation to engineering support to new builds, Project states that it supplies the following services: design review, full integration with project systems, detailed design and design verification, certifying authority interface, full legislative compliance, full health and safety compliance, full HAZOP/HAZID services, full process flow evaluation, full stress engineering capability, leading

computerised analysis packages utilised, overseeing installation, input to factory acceptance, commissioning and testing, documentation close out. Mr MacKay exhibits at DM02, DM03 and DM04 further company profiles from May 2003, August 2004 and January 2005. These are updated versions of the first profile. Included in all the profiles is an information sheet on drilling HP pipe work systems design.

17) Exhibited at DM05 is a copy of a presentation made to Mearsk Contractors on 22 September 2004. The presentation is entitled "Pipe Spool Management for an on behalf of the Customer". One section of the presentation deals with a leaking spool, another with on a new project, with Project's involvement from the beginning. Mr MacKay states that the presentation shows how the trade mark is typically used. There is a good deal of use of Project's full name, there is used of the trade mark as a composite mark, with the stylised picture of an offshore platform and the wording "FULL ENGINEERING & MANAGEMENT SUPPORT TO THE OIL & GAS INDUSTRY". There is also use of PD&MS. (The presentation states that Project was established in September 2002.)

18) Exhibited at DM06 are four business cards. These show use of the full name of Project and the composite trade mark referred to above. Exhibited at DM07 is a copy of the proof advertisement for Project's entry in the Pegasus directory. Mr MacKay states that this advertisement appeared in the 2004/05 edition of the directory. This shows use of the full name of Project at the top, the composite trade mark. pdms appears as an email and web address: sales@pdms1.com and www.pdms1.com. The advertisement identifies the business of Project as multi-discipline design engineering and project management from concept to commissioning. Mr MacKay states that the Pegasus directory is widely used in the oil, gas and renewable energy industries to locate suppliers of goods and services. Also exhibited at DM07 are copies of pages from the directory for 2004/05 and the Pegasus year planner for 2005, showing the Project advertisement. Also included in the exhibit are copies of two pages from the directory describing the purpose of the directory.

19) Exhibited at DM08 is a copy of a proof advertisement for the April 2004 edition of "Roustabout" magazine. This shows Project's full name and the composite trade mark. pdms appears as an email and web address: sales@pdms1.com and www.pdms1.com. It lists services that Project supplies which include project management, multi-discipline engineering design and offshore implementation and commissioning. Mr MacKay states that Roustabout was established around 1972 and is the longest running monthly publication covering the energy sector in the United Kingdom and overseas. He states that the magazine is circulated to companies involved in the energy sector and to the business community at large. Mr MacKay states that the typical monthly circulation is around 10,000. He states the Roustabout website suggests that each copy circulated is read on average by 5 to 6 people.

20) Exhibited at DM10 is a copy of a proof advertisement for Project's entry in the 2005 edition of "Yellow Pages" for Aberdeen. This shows use of Project's full name and its composite trade mark. pdms appears as an email and web address: sales@pdms1.com and www.pdms1.com. The advertisement identifies the business of Project as multi-discipline design engineering and project management to the oil and gas production, drilling and marine industries from concept to commissioning.

21) Exhibited at DM10 is a copy of a page downloaded from Project's website www.pdms1.com on 23 February 2005. Mr MacKay states that the website is still under construction/development. He states that despite the fact that Project's website address is as shown above there have been no instances of confusion with Aveva. Mr MacKay states that it is clear from the web page displayed on entering the site that it is Project's website and has no connection with Aveva; he states that this is due to the prominent use of Project's logo and its company name.

22) Mr MacKay exhibits at DM11 an extract from Project's enquiry and project register; the register lists enquiries received by Project, with brief details of the projects and clients. The pages exhibited run from 16 October 2002 to 21 February 2005. Mr MacKay states that the projects recorded range from design verification and checking for third parties, to structural analysis, to full detailed design and offshore installation. Included in the projects are: offshore design survey and post survey detailed design, checking piping isometrics and pipe support details, provision of piping isometric drawing, provision of CAD operator to work in-house at TSI (UK) Limited, provisions of mud pump room deluge restriction office, installation of coffee shop and re-configuration of existing locker room, removal of heat exchangers, jacking motor access platform, proposal for installation of solid catchment frame around and below Texas desk and mud pump crank shaft lifting beam.

23) Mr MacKay states that Project has been trading since September 2002 and that the approximate annual turnovers for the services provided under the trade mark PD&MS are:

2003 - 2003	£1,384,000
2003 - 2004	£1,881,000

Mr MacKay states that Project has spent around £7,000 on advertising and promotion of the trade mark in the United Kingdom since first use. He states that this does not include the cost of the development of the website. He states that the trade mark has been advertised through many forms of media; including Project's website, magazine advertisements and promotional material. However, the main promotion is through word of mouth. Mr MacKay states that the services provided under the trade mark PD&MS extend all over the United Kingdom and into the European Union. He states that a large number of Project's clients have affiliated, parent or subsidiary companies in other parts of the world, such as the United States of America.

24) Mr MacKay states that in October 2004 Project sponsored a green at the 18th Annual GlobalSantaFe United Way Golf Tournament at Pine Crest Golf Club, Houston, Texas. He exhibits at DM12 a picture of the sign on the green; this shows use of the composite mark, underneath of which is Project's full name.

DECISION

Passing-off – section 5(4)(a) of the Act

25) Section 5(4)(a) of the Act states:

“(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,”

I intend to adopt the guidance given by Geoffrey Hobbs QC, sitting as the appointed person, in the *Wild Child case* [1998] RPC 455. In that decision Mr Hobbs stated that:

“A helpful summary of the elements of an action for passing off can be found in Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to 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] A.C. 731 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 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."

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact. In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

- (a) the nature and extent of the reputation relied upon;
- (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the plaintiff;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action."

26) The first matter that I have to decide is the material date. It is well established that the material date for passing-off is the date of the behaviour complained of (see *Cadbury Schweppes Pty Ltd v The Pub Squash Co Pty Ltd* [1981] RPC 429 and *Inter Lotto (UK) Ltd v Camelot Group Plc* [2004] RPC 8 and 9). Section 5(4)(a) is derived from article 4(4)(b) of First Council Directive 89/104 of December 21, 1998 which states:

"rights to a non-registered trade mark or to another sign used in the course of trade were acquired prior to the date of application for registration of the subsequent trade mark".

Consequently, the material date cannot be later than the date of application for registration of the trade mark. There is no evidence of use of the trade mark on its own, without any other signs or indicators. It is the trade mark on its own, as applied for, that I have to consider. Consequently, the material date is the date of application, 21 December 2002.

27) Mr Fernando contended that Aveva has not established a goodwill. He referred to *South Cone Inc v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19, where 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 (OVAX)* (1946) 63 RPC 97 as qualified by *BALI* [1969] RPC 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.”

Mr Fernando pointed to the absence of evidence from the trade and appeared to view this as damning to the case of Aveva. Professor Annand, sitting as the appointed person, in *Loaded* BL O/191/02, accepted that proof of goodwill could be accomplished by other means. I consider that job is to look at the evidence of Aveva and decide whether it establishes a goodwill in relation to the sign PDMS at the material date. However, that judgement must be made in the context of Pumfrey J's stricture that the requirements are considerably more stringent than the enquiry under section 11 of the 1938 Act.

28) Mr Fernando attacked the exhibited evidence of Aveva in relation to the jurisdictions to which it relates and also as to the dates. There appear to be no exhibits emanating from later than 1997. Mr Steel gives sales figures for the years 1999 to 2003. Mr Fernando criticised these figures as they refer to goods and services provided under the sign PDMS but do not specify what goods and services.

29) The literature gives addresses for Cadcentre in England, Germany, the USA, Singapore, Japan, Hong Kong France, Norway and Australia. Various of the projects shown are outside of the United Kingdom or are not identified by location. Where a British company appears to be involved, eg John Brown Engineering and Constructors Ltd, it is not demonstrated that the sale of PDMS was to a British arm of the company. It could be that there is only a British arm, but it is not for me to speculate. A good number of the projects shown in the literature do not relate to PDMS but to other Cadcentre products. I am concerned with the use of PDMS. In the March 1994 newsletter there is reference to Cadcentre in Cambridge writing a

translator for the Auger TLP designers, this newsletter also refers to the setting up of offices in Asker, London and Kollsnes for the Troll Land project, which uses PDMS software. In the May 1994 newsletter there is a customer profile of AMEC which advises that it is based in London and has used PDMS since the early 1980s. The piece goes on to state that AMEC has successfully handled some of the largest “UK topsides projects”. The August 1994 newsletter has details of a PDMS and Review user conference in Bristol organised by AMEC. The December 1994 newsletter refers to Brown & Root collaborating with Cadcentre in the development of the PDMS Spooling Application. The newsletter goes on to state that the application has already been used in a live Brown & Root project in the North Sea. There is no indication where Brown & Root were based for the project; or in which part of the North Sea the project was. In the 1996 and 1997 Cadcentre annual reports it is stated that overseas sales amount to 80% of income.

30) The bases of Cadcentre outside the United Kingdom mean that projects and sales could have no relationship with the United Kingdom centre; they could be completely free of the jurisdiction. Mr Steel gives figures for sales in the United Kingdom from 1999 onwards. Mr Fernando criticises the lack of specific detail in relation to the goods and services to which these figures relate. However, in paragraphs 2 and 4 of Mr Steel’s declaration, he describes the nature of the goods. I consider that it is reasonable to accept that the sales figures relate to such goods; the sort of CAD software which is shown in the literature and services relating to training and adoption of the software. However, there are no exhibits showing how the trade mark was used in the period for which sales figures are given. This is of importance as the nature of use might be such as to remove any goodwill associated with the sign PDMS. I am left with the question as to why Aveva has not filed any evidence of the nature of use between 1998 and December 2002. It seems odd to me. Of course, goodwill does not dissipate with an absence of business (see *Star Industrial Company Limited v Yap Kwee Kor (Trading As New Star Industrial Company)* [1976] FSR 256, *Ad-Lib Club Limited v Granville* [1971] FSR1, *Thermawear Limited v Vedonis Limited* [1982] RPC 44 and *Sutherland v V2 Music Ltd* [2002] EMLR 28). But Aveva is claiming use from 1999 to December 2002 so this is not a matter of residual goodwill. It could, however, be a matter of use in such a form that the relevant public has been educated into seeing PDMS in a format very different from that shown in the exhibits up to 1997. So the use could have tipped over the use shown up to 1997 in the perception of the relevant public. For the period up to 1997 there is evidence of use of the nature of the use of PDMS but no figures relating to turnover in the United Kingdom in this period.

31) Mr Steel lists companies who have bought the PDMS product, however, he has not furnished any evidence from these companies as to the reputation of PDMS; which should not have been an onerous task. Mr Steel also states that he gives his evidence on the basis of his knowledge or the records of Aveva. However, there is no explanation of the relationship between Aveva and Cadcentre or PDMS. What records does Aveva have? This question can only start to be answered if one knows of the relationship between Aveva and Cadcentre. This absence of explanation I don’t find suspicious but I do find it astonishing. In my experience it is normal to explain the relationship between a current proprietor and previous owners. Of course, there is no exhibited material linking Aveva to PDMS, there is no material indicating that it took over the ownership of the PDMS product from Cadcentre. Mr Steel refers to

Aveva first using PDMS in 1974 but this is not the case. Cadcentre, an organisation originally set up by the government, first used PDMS in 1974. If Mr Steel is claiming that Cadcentre Group plc and its subsidiary companies are owned or have been taken over by Aveva there should be an explanation and evidence. Even if there has only been a name change there should be evidence in relation to this. Aveva does not need a locus standi to oppose, even on the basis of the law of passing-off; under the Act any person can oppose. However, the absence of an explanation of its relationship with Cadcentre and how Mr Steel can give evidence in relation to Cadcentre makes the evidence fragile. Of course, Mr Steel has exhibited material but this does not tell me what the relationship between Cadcentre and Aveva is. It is all material that would have been available to the public; and specifically to PDMS users. Mr Steel does not give, whether through inability or omission, turnover figures for PDMS goods during the period for which there are exhibits, exhibits which show that Cadcentre are using the trade mark. So for each period there is a key component missing.

32) Mr Fernando described PDMS as a limping trade mark that was always used within the environs of Cadcentre. I consider that whether a trade mark is “limping” is jointly dependent upon the nature of the trade mark and its use. The term was, of course, used by Jacob J in *Philips Electronics NV v Remington Consumer Products Limited* [1998] ETMR 124. It did not find a great deal of approval from Aldous LJ on appeal [1999] ETMR 816:

“I would not have referred to it as "limping", whatever that may mean.”

I do not consider that the various trade marks would qualify as being “limping” in the context that Jacob J used it. However, this does not gainsay that PDMS has always been used within the environs of Cadcentre documentation. This does not deny PDMS a reputation. PDMS is clearly used in Cadcentre material on its own. The absence of evidence from after 1997 means that I do not know how PDMS has been used since that date; it might have been used always next to a house mark or combined into a house mark. So after 1997 PDMS could not be described as being limping; the evidence, or more properly the absence of evidence, has made it invisible.

33) Mr Fernando submitted that use of PDMS should not be taken as establishing a reputation in PDMS. I accept that use of itself would not necessarily establish a reputation. The nature of the use and the nature of the trade mark will have to be considered. It seems to me, however, that use is a fact and a fact is always better than an opinion in establishing something. It is not use in this case that is the problem but the actual evidence of use.

34) Mr Fernando exposed a variety of weaknesses and failings in the evidence. I have dismissed some of his objections, however, the more one looks at the detail of the evidence the more, I consider, are Mr Fernando’s criticisms valid. This is a case where, in my view, a false overall impression can be gleaned if one just judges the evidence on the basis of an impression rather than looking at the detail. The more the detail is analysed and considered the more the threadbare and holed the cloth appears. I have to make my decision on the evidence before me, not on supposition of what the evidence could be. It is not my job to decide how PDMS was used from 1998 to 2002

in the absence of evidence; it was Aveva's job to show how it was used. It is not my job to guess at the turnover of PDMS goods up to 1997, it is for Aveva to establish. It is not my job to guess at the relationship between Aveva and Cadcentre, if there is any, and how Mr Steel can speak for Cadcentre; it would have been an easier enough job for Aveva to establish this. On the basis of the evidence before I cannot establish what if any reputation there was in relation to PDMS at the material date, I have no idea how PDMS was being used at the material date and if this would have affected the perception of the material public; which taking into accounts the nature of the goods would be a very limited and specialised public. Pumfrey J specifically held that to be useful the event had to be directed to the relevant date, the evidence of Aveva is singularly not directed to the material date. I certainly do not consider that Aveva has satisfied the requirements set out by Pumfrey J. There are simply too many lacunae in the evidence to establish that there was a goodwill relating to the sign PDMS at the material date. It is possible that Aveva had better evidence available to it. I can only deal with the evidence before me. I cannot make a decision based upon supposition and conjecture. The Vice Chancellor in *Special Effects Ltd v L'Oréal SA and L'Oréal UK Ltd* [2006] EWHC 481 (Ch) commented that opponents only have themselves to blame if they do not bring forward the best evidence available to them.

35) Aveva has not established that at the material date there was a goodwill in relation to the sign PDMS and so the claim that use of the trade mark would be liable to be prevented by the law of passing-off must be dismissed.

COSTS

36) Project Design & Management Services Limited having been successful is entitled to a contribution towards its costs. I order Aveva Solutions Ltd to pay Project Design & Management Services Limited the sum of £2250. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 13th day of April 2006

**David Landau
For the Registrar
the Comptroller-General**