

Car-rental firm stops ex-licensee from using name

Budget takes court injunction against AB, which had rented out cars that were targets of repo men

By **PAULINE LEONG**

BUDGET Rent A Car International has gone to court to stop a former licensee from using its name.

It took out a High Court injunction last Tuesday against AB Car Rentals, which made news earlier this month when customers complained that the cars they had leased from the com-

pany were now the targets of repossession men.

Although its licence agreement with Budget was terminated on Feb 15, private investigations showed that AB was still using the Budget name and distributing Budget brochures, said Budget's lawyers.

The court order prevents AB from using Budget's name, trademark, logo or any variations. It also cannot use the operational system developed by Budget.

Failure to comply could lead to the company being fined or the directors being jailed.

Mr Philip Fennel, vice-president of Budget Rent A Car International, Asia-Pacific, said: "Budget is anxious to ensure the public does not ... make payment of car-rental deposits to AB Car Rentals in the mistaken belief that they are still a licensee of Budget Rent A Car."

AB had signed the licence agreement with Budget about five years ago, where it had to pay Budget an undisclosed sum monthly.

But AB's failure to pay the amount owing a few months ago led to the termination of the agreement, said Budget's law-

Besides taking out the injunction, Budget also intends to sue AB for the sum it owed, and for loss of reputation.

Said Mr Fennel: "We will not tolerate our good name being undermined by someone who uses our brand wrongfully."

But AB's general manager, Mr Michael Lim, denied that the company had represented itself as Budget's licensee since its contract ended.

"We are taking down the name, logo and trademarks. I think that Budget is just being extra cautious," he told *The Straits Times*.

More than 15 people have had their rental cars repossessed, or are playing hide and seek with the repo man.

AB had leased cars from other companies to rent to its customers, and failed to pay the sum owing.

Budget has denied any responsibility or liability for any business or contracts made between AB and its customers — a sore point with them.

Said American housewife Beatrice Scrove, 37: "We signed the contract based on Budget's name. I expect it to stand by its customers."

But Budget said yesterday that it was also a victim, adding that "customers should take legal advice on any rights