

Frankie goes to the Registry

UK Intellectual Property Office judgment on band partnership

David Brooks of Taylor Wessing, notes that ‘Frankie goes to Hollywood’ is just one in a long line of well-known bands to dispute ownership of name

The UK Intellectual Property Office recently upheld an opposition to a UK trademark application for FRANKIE GOES TO HOLLYWOOD. This decision is the latest in a line of disputes between former members of well-known bands over the ownership of the band’s name. Given the current trend for long-separated bands to reform for lucrative “comeback” tours, even without members of the original ensemble, it is not surprising that such disputes occur. This is particularly where, as is often the case, no legal agreement has ever been reached between the original members of the band regarding ownership of the name.

The facts

Frankie Goes to Hollywood enjoyed musical success in the early eighties before the lead singer, Holly Johnson, left the band in April 1987 to pursue a solo career and the four remaining band members decided to stop performing. In 2003 all the original band members were approached for an MTV television programme, “Bands Reunited”, whose goal was to reform the band for a one-off concert. The band members, with the exception of Holly Johnson, agreed to reform and play the concert. This led to a series of successful reunion shows for the band beginning with the Prince’s Trust concert in 2004, by which time Holly Johnson had been replaced by a new lead singer. On 2 April 2004 a company owned by Holly Johnson filed a UK trademark application for FRANKIE GOES TO HOLLYWOOD in various classes. The four remaining members of the band opposed the application on grounds of bad faith (s.3 (6) of the Trade Marks Act 1994) and by virtue of the law of passing off (s. 5(4)(a) TMA 1994).

The decision

The Hearing Officer upheld both grounds

of the opposition and refused the trademark application.

In relation to the s. 5(4) ground (passing off) the question the Hearing Officer had to decide was whether the goodwill in the name belonged to Johnson alone or to the band. Even though it was argued that Johnson had devised the name and that, as lead singer of the band, Johnson was the best known, the Hearing Officer found that the legal arrangements in place (or lack of them to be more precise) meant that at the point at which Johnson left the band, the band’s legal status was that of a partnership at will and therefore any assets, including any goodwill in the name, were owned by the partnership rather than any individual band member.

The Hearing Officer also held that, as the band ceased to use the name after Johnson left, it did not build up any independent goodwill in the name. On the date on which the trademark was applied for there was residual goodwill attributable to the original band (as evidenced by the fact that the band was asked to reform for “Bands Reunited”) but there was little or no goodwill that could be attributed to the reformed band. As a result, the goodwill in the name was an asset of the original partnership and no one member of the band had a continuing right to claim an exclusive use against the current reformed band by virtue of a trademark application. Therefore, proceeding on the basis that the opponents, as members of the original band, were acting on behalf of the original partnership, the Hearing Officer held that they had enough goodwill and reputation to mean that the use of the name by Johnson would amount to a misrepresentation from which damage would follow.

In relation to the s. 3(6) ground (bad faith) the Hearing Officer also held that Johnson had acted in bad faith by applying to register the name without the knowledge or consent

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of the other original band members. The mark was applied for only a few months after the making of the “Bands Reunited” programme. By making the application the Hearing Officer held that Johnson was attempting to monopolise the name so that he could rely on that monopoly to prevent the other band members from using the name.

Other relevant decisions

Saxon

In coming to his decision the Hearing Officer relied on an earlier High Court decision involving the heavy metal band Saxon¹. That case involved a similar dispute between former members of the band. Saxon was formed in 1978 with four members. The band achieved a high degree of success but subsequent divisions in the group led to its fragmentation. Two of the original members of the band attempted to register SAXON as a trademark but this was then opposed by a third original member of the group. It was held that the goodwill in Saxon was owned by all the members and therefore the name SAXON could not be registered as a trademark by only some members and thereby monopolised by them at the expense of the remaining members of the group. On dissolution of the original partnership the partners would have been entitled to demand that the partnership assets be realised and divided between them in accordance with their respective shares. However, none of the members in their own right “owned” the partnership assets. The decision in the *SAXON* case, and in particular the finding that the name of the band was owned by the partnership rather than any individual member of the band, led to a review of the Registry’s practice whereby partnerships would henceforth be permitted by the Registry to be recorded as the registered proprietors of trademarks².

These cases follow the general principle that goodwill generated by a partnership is a partnership asset. On dissolution of that partnership, which in the case of a partnership at will is automatic on the departure of any one of the partners, the partners may require that the goodwill is sold so that they can share in the value, as with any other asset, but are not each entitled to a share of the goodwill unless the partnership agreement provides otherwise. The issue could have been avoided had the

band members entered into a partnership agreement setting out the terms on which the name could be used on the termination of the partnership. The partnership agreement could, as is common in partnership agreements for solicitors’ practices, expressly provide for the partnership to continue on the departure of one or more members and for the continuing partnership to be able to carry on using the original name and goodwill whilst limiting the right of the departing member(s) to do so.

Liberty v Liberty X

The Registry and the Courts have been prepared to find that, even though a band may be dormant or defunct, it may still have residual goodwill. This reflects commercial reality, as the popularity of comeback and revival tours makes clear. A previous passing off decision involving use of the name “Liberty” by successive bands reinforces this point³. That case involved the unsuccessful finalists in the reality television competition “Popstars” who were subsequently named “Liberty”. An existing band also called Liberty brought action against the newly-formed Liberty to restrain their further use of the name. The original Liberty band was formed in the 1980s reaching the height of their public exposure between 1993 and 1996. Although the band had received critical acclaim they had not been particularly successful in terms of music sales and the judge found that they were not a nationally recognised band although they were known and respected amongst consumers whose interest was funk music. The issue was therefore whether the first band enjoyed any residual goodwill some five or six years after it ceased to have any public presence. Mister Justice Laddie stated that he found it a borderline issue but nonetheless held that the original Liberty band had sufficient residual goodwill to found a passing off action. The judge held that reputation should be assessed not only from the perspective of members of the public but also from the perspective of people within the music industry. Even though the genres of music promoted by both bands were different, it was possible that the success or failure of the newly reformed Liberty may be associated with the original Liberty. Therefore, it would appear that even relatively modest amounts of goodwill can, in the music industry at least, survive long

periods where a band is inactive.

Bucks Fizz

The cases above have involved former original members of bands. The rise in popularity of comeback tours, as well as raising difficult questions about the ownership of the name of the band, also raises the question of whether the comeback line-up should properly be referred to by the original name of the band if it does not include any of the original band members. This was an issue faced by one of the original members of 80s group Bucks Fizz. Bucks Fizz reached international fame winning the Eurovision Song Contest but when the hits began to dry up members of the original line-up left and were replaced by new members. Eventually one of the replacement members split from the group but continued to perform with a new line-up under the name “Bucks Fizz” and the two rival Bucks Fizz bands co-existed for approximately five years. Bobby Gubby, one of the original members of Bucks Fizz, then sought an interlocutory injunction for trademark infringement against the new band. The Court held that there was a serious issue to be tried but refused to grant the injunction based on the disruption that would be caused if the new band were forced to cancel its run of concert dates and pointing to the fact that there had already been five years’ co-existence. The case settled before trial but the unresolved issue of who should own a trademark after a band splits up now appears to have been settled by the decision in the *SAXON* case. Whilst in the UK an original member of a band might be able to restrain such use of the band name through an action for trademark infringement or passing off, in the U.S. several states have now passed legislation making it illegal for musicians to falsely claim that they are connected to well-known groups unless they retain at least one original member. If bands make false claims it will be considered deceptive trading practice punishable by a fine. ❁

Notes

- 1 *Byford v Oliver*; sub nom, *SAXON* Trademark [2003] EWHC 295
- 2 See PAN 2/04 – Trademarks owned by partnerships.
- 3 *Sutherland v V2 Music Ltd* [2002] EMLR 28

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