

All's Fair in LUV (INJECTION) and War

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Background

Thomas v Luv One Luv All Promotions Ltd ([2022] EWHC 964 (IPEC)) is a passing-off case concerning the use of the name Luv Injection in relation to a Jamaican sound system – a group of DJs, engineers and MCs playing ska, rocksteady or reggaemusic. The claimant, Ian Thomas, and the second defendant, Winston Thomas, are half-brothers who used to perform together in a sound system called Luv Injection. In October 2016 the group split and never performed together again as the original LuvInjection; however, both brothers continued to perform with different members using the same name (Winston first, in late 2016, and Ian following in August 2017).

Following various wranglings at the UK Intellectual Property Office in relation to trademark applications and registrations owned by Winston, it was held by the hearing officer that there had been no transfer of the jointly-held goodwill in the name Luv Injection. Accordingly, Ian claimed, Winston was not personally entitled to the goodwill in the name and was therefore not entitled to register the name Luv Injection as his trademark. In October 2019 Ian brought the current proceedings alleging passing off by Winston and the first defendant, a promotion company controlled by Winston.

The passing-off claim

The passing-off claim was based on the starting position that the original Luv Injection sound system had traded as a partnership at will which had ended with the split in October 2016, and that the goodwill vested in that partnership was now owned by the claimant personally (or, in the alternative, by the new partnership created by Ian and the members of his new LuvInjection group).

The claimant argued that Winston had done nothing to obtain his share of the goodwill and that it was in fact he, in the “front of house” role of “mic-man”, entertaining and engaging with the audience, who had “appropriated” the goodwill of the original LuvInjection. By using the name Luv Injection, the claimant alleged, Winston was therefore passing off his goods and services as those of Ian.

The claimant also argued that a further UK trademark registration (for LUV INJECTION SOUND) should be declared invalid on the basis that its use also amounted to passing off.

Decision

Following the decision of Laddie J in *Saxon Trademark: Byford v Oliver* ([2003] EWHC 295), Caddick J in the

present case found that it was common ground that the goodwill in the Luv Injection name was owned by the partners of the original Luv Injection group, which partnership at will dissolved in October 2016 following the break-up of the group. Whilst it was true that, after the split, Winston's new group was the first to start performing under the Luv Injection name, and as a result was vulnerable to a passing-off claim brought by the partners of the original Luv Injection, it was not vulnerable to claim brought by Ian and the members of his new group. At the point at which Winston's group started performing, Ian's new group was not yet in existence, so it had no protectable goodwill in the name and there could therefore have been no representation that the groups were connected.

This is why the claimant argued that he had "appropriated" the goodwill of the original group – as the "front of house", public face, of the original Luv Injection, he claimed that the goodwill in the name attached itself to him personally. However, on all the facts it was clear that there was no transfer of the goodwill from the original group (partnership) to the claimant and, accordingly, Caddick J had no hesitation in rejecting the claimant's argument:

*"... where property is owned by someone, another person cannot generally acquire title to that property simply by appropriating it. Generally, there would have to be some form of transfer by the owner to that other person either by way of an agreement or by operation of law. **The position is no different where the property is goodwill and where the owner is a partnership and the other person is one of the partners.** [The argument is]... akin to saying that if you take someone's car and use it in such a way that third parties believe that it is your car, then there has been a transfer of ownership to you from the real owner. Outside the area of adverse possession in relation to real property and in the absence of abandonment of property by the former owner, I am not aware of any principle of law which would have this result. (Paragraph 24 of the judgment, emphasis added)"*

Further, Winston had not abandoned his interest in the goodwill and, therefore, the passing-off claim based on Winston's use of the Luv Injection name since the split of the original group failed. A second passing-off claim based on the "dub plates" (certain recordings) was also dismissed, as was the claim that the trademark registration was declared invalid – Ian was not the proprietor of an earlier right, within the meaning of Section 5(4)(a) of the Trademarks Act 1994, who can seek to have a mark declared invalid. A counterclaim brought by Winston (relating to the formal winding up of the original Luv Injection partnership) was adjourned.

Comment

Caddick J's decision confirms that goodwill in a brand is a vital property right, the transfer of ownership of which must be facilitated by way of an agreement or by operation of law. It highlights how there can be no assumption that, in certain circumstances, goodwill vests in or passes between particular individuals or groups without an agreement to that effect. Goodwill in a name cannot simply be "appropriated" through use (in the absence of any other deciding factors). This case highlights – and is an important reminder of – how important it is not to overlook goodwill and other intangible property rights, and to ensure that the ownership of such is properly documented and subject to formal transfer as appropriate.

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