

Bedtime for Bonzo – members of Bonzo Dog Doo-Dah Band have promoter claims struck out

The High Court struck out proceedings brought by a music promoter against the members of the 1960s experimental pop band the Bonzo Dog Doo-Dah Band.¹ Members of the band successfully applied to strike out all four claims that were brought against them: conspiracy to injure, malicious falsehood, statutory misrepresentation and trade-mark infringement. The scathing judgment found the causes of action pleaded to be incomplete, despite being tediously lengthy, and supported by evidence that often contained “inadmissible opinion ... bare assertion and irrelevancies”.

Background

The Bonzo Dog Doo-Dah Band was formed in early 1962 by a group of art students. During the 1960s, the band released several albums and experienced some commercial success. In 2005, Mr Carruthers, a promoter and manager, began working with the band and organised an anniversary concert. Merchandise was sold, further concerts took place, and in 2016 an anthology was made.

In October 2015 Mr Carruthers, through the company Anglo Atlantic Media Ltd, the claimant in this case, filed a UK trade-mark application in the band’s name, “The Bonzo Dog Doo Dah Band”, which was accepted by the Intellectual Property Office and entered on the register in January 2016. Subsequently, members of the band successfully applied to the IPO to have the trade mark declared invalid on the grounds that it had been registered in bad faith,² and that its use would constitute passing-off since the defendants had prior rights in the mark.³

During the course of the IPO proceedings, the claimant issued two claims (which together consisted of four causes of action) in the High Court. The first claim was issued on 4 March 2019, and the second on 2 April 2019. An application to strike out the claims was issued by the defendants on 1 May 2019. The grounds for this application were that the claimant’s particulars of claim amounted to an abuse of process, and that the claimant had failed to provide reasonable grounds for bringing the claims. This case concerns that strike-out application.

Ruling by the Registrar

Before turning to the claims at hand, Chief ICC Judge Briggs reiterated some of the key points from the Registrar’s decision in the IPO proceedings.

Passing-off

For the defendants to succeed with their application for invalidation of the trade mark, they needed to show that the band held the benefit of goodwill. Mr Carruthers asserted that he had goodwill in the mark, and that he had assigned this to the claimant. The Registrar, however, found that the band’s “goodwill still existed in 2005”, and that the band’s residual goodwill in 2005 would have been “owned by the last men standing”, the trading activities from 2006 onwards would have “re-energised that goodwill” and, accordingly, the goodwill generated through the activities of the band under its name “naturally flows to the band”. The goodwill was not generated during the period of 2006 to 2019 under the management of Mr Carruthers (as the claimant asserted). Consequently, any goodwill in the mark belonged to, and can be relied on, by the defendants, as opposed to Mr Carruthers or the claimant. The three elements of passing-off were satisfied: the band’s reputation in the music business had

¹ *Slater & Ors v Anglo Atlantic Media Ltd* [2020] EWHC 710 (Ch).

² Trade Marks Act 1994, section 3(6).

³ Trade Marks Act 1994, section 5(4)(a).

generated goodwill in the first instance and the goodwill had a distinguishing mark in the band's name; there was a material misrepresentation in that members of the public would believe that the goods and services were those of the band; and the defendants were likely to suffer damage as a consequence of the misrepresentation. Accordingly, the registration of the trade mark was declared invalid.

Bad faith

The Registrar also found the mark had been registered in bad faith. Mr Carruthers claimed that the reason he registered the mark was to protect his (and the claimant's) investment. While the Registrar did not deny that Mr Carruthers had indeed invested both time and money into the band and various related activities, he ruled that, unless there was an agreement to the contrary (which he had found there was not), or unless the band was created by a record company (which it was not), persons or businesses that engage with a band in the way that Anglo Atlantic Media Ltd (and before it Mr Carruthers and/or his companies) had "should not be registering trade marks the effect of which would be to put them in complete control of the name of the band they represent and which would have the potential effect of preventing the band from undertaking its activities it should be free to do under its own name". The Registrar went on to say that "honest people in the trade observing acceptable standards of behaviour would do so by relying on the remuneration from such activities to recoup their investment", and that the use of the trade-mark system is "not the correct mechanism for the protection they seek".

Res judicata

Judge Briggs commented that the particulars of claim relating to goodwill, partnership, formation of the band, passing-off (validity of the mark) and bad faith had already been decided by the Registrar, and that there was no difference in the circumstances under consideration in the High Court and in the IPO, and no difference in the substance of the evidence deployed. The Registrar's decision was, in this respect, *res judicata*, being "a judgment of a court of competent jurisdiction that followed a hearing in an open forum where procedural rules applied", where no new facts had been advanced.

Claims before the High Court

Four claims were brought before the court by the claimant:

- (a) *Conspiracy to injure* – The first claim centred on the existence of a partnership between the defendants that was supposedly created in 1962. The claimant stated that the band did not constitute a general partnership under the Partnership Act 1890, and that the trade mark did not belong to the partnership.
- (b) *Malicious falsehood* – The claimant claimed that the defendants had, by publishing malicious falsehoods designed to injure the claimant, conspired to injure the claimant.
- (c) *Statutory misrepresentation* – Thirdly, the claimant pleaded that the defendants had "fraudulently concealed" from the claimant the existence of a "clandestine agreement" unlawfully to bring about the invalidation of the claimant's registered trade mark.
- (d) *Trade-mark infringement* – Finally, the claimant alleged that trade-mark infringement (on the part of the defendants) had caused an unlawful interference with the claimant's business.

Decision

Conspiracy to injure

To succeed, the claimant had to show that: (a) the defendants had taken unlawful action; (b) this action was taken with the intention of causing damage to the claimant; and (c) the claimant had suffered such damage.

The claimant claimed that the defendants “unlawfully averred to the IPO and various third parties” as to the existence of, and held themselves out to be joint founder members of, a 56-year-old entity, the Bonzo Dog Doo-Dah Band, as a general partnership at will.

Judge Briggs found that the claim offended the absolute privilege principle, and that the claim of unlawful means sought “to make a collateral attack on a decision made by a court of competent jurisdiction with the result that it amounts to an abuse of process”. He commented that the pleadings went to the heart of the decision of the Registrar, which was *res judicata*.

The claimant had also failed to plead appropriate damage. The claimant claimed that its damage was the cost incurred in resisting the invalidation and cancellation applications in relation to the trade mark, but Judge Briggs clarified that legal costs are not damage for the purpose of this cause of action.

Finally, Judge Briggs mentioned that the claimant had failed “to plead in any meaningful way an intention by two or more people to injure”. It was clear, then, that the cause of action was incomplete.

Malicious falsehood

The claimant claimed that the defendants had made a libellous statement by stating that the claimant had registered the trade mark in bad faith “with the primary purpose of using it as a vehicle to extract/extort fees by coercing the purported members of the Bonzo Dog Doo-Dah Band (A Firm) to purchase licences”. Aside from the fact that the Registrar had already found that the trade mark had been registered in bad faith, the statement complained of was contained in the statements of case in the IPO proceedings, and the defendants were once again protected by absolute privilege. So there could be no claim for malicious falsehood.

Besides, the particulars were, yet again, inadequate in relation to the loss claimed. Judge Briggs commented that no discernible damage was pleaded, with the loss said to be damage to the claimant’s “professional reputation”, without more.

Further, Judge Briggs described this claim too as “a collateral attack on the decision of the Registrar giving rise to an abuse of process”. He went on to comment that, if he were wrong about such findings, issue estoppel would in any event bar the claimant from raising the same matters where there had already been a finding by the Registrar.

Statutory misrepresentation

The claimant also claimed statutory misrepresentation under section 2(1) of the Misrepresentation Act 1967, alleging that the defendants did not inform Mr Carruthers that the band was a partnership, and that this amounted to a statutory misrepresentation by silence. The defendants argued that in most cases mere silence will not amount to a misrepresentation, and Mr Carruthers failed to contest this. On this point, Judge Briggs turned to *Chitty on Contracts* which states: “The general rule is that mere non-disclosure does not constitute misrepresentation for there is, in general, no duty on the parties to

a contract to disclose material facts to each other, however dishonest such non-disclosure may be in particular circumstances.”⁴

Here, the claimant failed to make out the legal requirements for the cause of action pleaded: it did not particularise the representation itself, the inducement or the contract supposedly entered. So the third claim was struck out.

Trade-mark infringement

The claimant claimed that one of the defendants contacted a third-party concert promoter and told the promoter that the claimant did not have the exclusive right to manage and produce live concerts for the band. The claimant alleged that this was an infringement of the trade mark, and that this caused the loss of an opportunity to generate profits from five concerts that did not take place.

Judge Briggs concluded that “there can have been no infringement of the mark when the mark was improperly registered and cancelled as found by the Registrar”. A person cannot seek to claim trade-mark infringement in a mark in which the person has no rights. The trade mark had, at the time of the judgment, been successfully registered by the defendants and was undeniably their property. Further, the Registrar established that any goodwill belonged to the defendants, and that the claimant would have, in any event, breached the law against passing-off by using the mark. The claim was therefore incapable of succeeding and was struck out.

In summary, Judge Briggs found each of the four claims to be totally without merit.

Comment

Although it does not cover any new ground, this case serves as a useful reminder of several legal and procedural principles, as well as highlighting the importance of protecting intellectual property in the entertainment industry.

Judge Briggs took it on himself to consider legal concepts both central and ancillary to the proceedings at hand, including strike-out of statements of case, immunity from suit, issue estoppel, cause-of-action estoppel and abuse of process. The *res judicata* principle was central to this case. Claimants should be mindful that an attempt to raise claims that have already been decided by a court of competent jurisdiction may give rise to issue estoppel and might be struck out as an abuse of process.

The consideration of fiduciary duties in the context of promoters and agents will be of particular interest to entertainment lawyers. The Registrar had found that a person who engages with a band in the way that Mr Carruthers and the claimant had should not be registering trade marks in a band’s name to protect an investment. Judge Briggs noted here that an agent owes fiduciary duties to the principal, and so must act in good faith, must not make a profit of the trust placed in the agent, and must avoid conflicts of interest.⁵ Stakeholders in the entertainment industry should be conscious of the fiduciary duties that they may owe in conducting their business, and should avoid attempting to obtain any rights in their principal’s intellectual property where there is a conflict of interest, or where there is a lack of informed consent.

Since receiving the judgment, the defendants have been working with MPs and the Musicians Union with the intention of assisting the IPO to address what has been described as a trade-mark “loophole”,

⁴ Chitty on Contracts 7-018.

⁵ *Bristol & West Building Society v Mothew* [1998] Ch 1.

being the ability of any individual to register a band's name as a trade mark for a small fee, without the need to provide any evidence of ownership.

Finally, Judge Briggs pithily observed that the overall impression from the witness statements was that Mr Carruthers "raises every point he can think of, regardless of relevance, to achieve his aim". Judge Briggs also satirised Mr Carruthers' fondness for the phrase "I believe it is unconscionable that ...", citing five such examples. These scathing remarks are a reminder – perhaps most useful for litigants in person – of the importance of concise drafting and ensuring that pleadings are complete.

Calum Bryant, Associate, and **Rachael Heeley**, Trainee Solicitor, **Simkins LLP**