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Trade Mark Strategies of Emerging Music Artists

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Introduction

The intangible rights contained within an artist name are incredibly valuable. The word or phrase traded under by an artist is not only the point of reference for anyone wishing to buy music or locate the artist online, but it becomes the symbol of the brand and its quality. There is no definitive approach to acquiring rights in and protecting a band name. Consequently a number of different methods are employed, ranging from adopting domain names and social media pages to registering trade marks in multiple classes and territories. Some interesting trends can be identified with regard to if and how emerging artists decide to protect their name and this article analyses these different approaches, whilst highlighting some potential consequences of not adequately protecting a name. Parallels will be drawn to other elements of the artists' business activity, such as merchandising, with the view to identifying the primary influencing factors of an artist's trade mark strategy. Observations are based on the statistics in Appendix A, a sample of 254 artists from various chart compilations, award nominations and record label rosters, chosen to represent a range of different types of emerging artists that have had at least relative commercial success. The data in Appendix A was collected by carrying out searches on the Intellectual Property Office website <www.ipo.gov.uk>. The principal objective of this research is to present a relevant and practical insight into the actual trade mark practices of contemporary artists. 1

Protection without registration

Under the Trade Marks Act 1994 (as amended, hereinafter: TMA 1994) the name or logo of a band does not require a formal registration process in order to be a trade mark; by virtue of being put into commercial use and thus becoming the sign which distinguishes the services of one artist to that of another, a trade mark has materialised. 'Distinguishing' is the key word and arguably the entire foundation of trade marks is their ability to be distinctive and allow the public to identify the source of a product. Whilst it is possible, and indeed sensible, to register the trade mark in all relevant classes and jurisdictions to secure exclusive rights, to understand the protection granted to unregistered marks by the common law tort of passing off is very worthwhile: this is something that many artists have relied upon for protection. A prerequisite for a passing-off action lies in there being goodwill in the mark; this will likely have been garnered through commercial use of the mark acquiring it a reputation in the marketplace. Should another party attempt to cash in on this goodwill by using the same mark, leading to a misrepresentation that might deceive the public and cause damage to the goodwill, then an action for passing off can be brought against this party. Furthermore if another party attempts to register this trade mark which has already acquired goodwill then they will be prevented from doing so under section 5(4)(a) of the TMA 1994 which states that if the law of passing off is already 'protecting an unregistered trade mark' then the trade mark shall not be registered. 2

The unpredictability of passing off actions protecting an artist's name highlights a risk in this method. This can be observed when looking at two cases involving identical band names being used by multiple groups, which had opposite outcomes. The case of *Sutherland v V2 Music* [2002] EWHC 14 concerned the band name 'Liberty', which had been in use by a British funk group for two decades prior to the arrival of an identically named pop act that arose from the talent show 'Popstars'. The court opined that the goodwill existing in the name was sufficient to prevent use by the second group because their continued use would 'effectively destroy such goodwill as the claimants have'. Whilst in this instance the first group was granted protection and the second group forced to change their name, the judge did acknowledge how 'borderline' the case was. A case the following year concerning the use of the artist name 'Blue' had a different outcome, with Mr Justice Laddie making clear that he found very little merit in the claim that confusion between the two dissimilar acts might arise. The dispute ended up being settled, with the result of both bands continuing under the same name. This case weakens the confidence in passing off as an effective means of protection by demonstrating that in the absence of an official trade mark registration, the law may not offer a defence if another party starts to exploit the same name. Nonetheless this case may not serve as a particularly strong lesson to emerging artists, since the opinion of the judge was that the two bands would not in fact be adversely impacted by each other's 3

existence in the market.

With this in mind though, an undeniably important consideration after coming up with an inspired name is to check very thoroughly that the name is not in use already, even by a seemingly dormant group. Whilst from a business perspective a new band might feel entirely unthreatened by another group already using their name, particularly if the groups are different ages or locations, *Sutherland* demonstrates that from a legal perspective there can be undesirable consequences. There are countless examples of bands having to take on a different name in a new marketplace due to an existing proprietor in the region, highlighting the importance that this consideration is taken on a global level. Suede and The Charlatans were forced to amend their names to The London Suede and The Charlatans UK for the US market, and The Raconteurs became The Saboteurs for Australia. Even artists not intending to trade outside their local territory should be wary that in the internet age jurisdiction is far less of a barrier; this is supported by the case of *Dearlove v Combs* [2007] EWHC 375 which ensued over the use of the artist name 'Diddy' on social media websites. 4

Protection with registration

The most secure form of protecting a trade mark is to register it with local trade mark authorities, since this will grant the proprietor exclusive rights to the use of the name within particular commercial activities. Two principle types of registered trade mark exist under UK law: the UK trade mark covering this territory alone, and the Community Trade Mark (CTM) covering all countries in the European Union. An important feature of trade mark registrations is that they relate to specific classes of goods, for instance Class 9 which includes sound recordings and CDs. There are numerous benefits to registering a trade mark, one being that the registration can be carried out prior to commercial activity when there is mere intent to use the mark, contrary to the law of passing off which relies upon goodwill having been built up over time. Furthermore the likelihood of disputes arising with a registered mark is said to be reduced since the scope of the protection and area of commercial activity has been explicitly categorised during the registration process, leading to increased certainty in what the mark is or is not protecting (Bently and Sherman, 2009, p.781). Despite the clear benefits however, the costs involved as well as the time and resource required to carry out the tedious registration process will likely be a big factor in whether or not an emerging artist selects this route. It is also possible that an emerging artist and their advisors do not have sufficient awareness that these options are available. 5

UK Charts analysis: who registers and when?

Exploring the trade mark registrations of artists in the Official UK Singles Chart presents a helpful insight into the trade mark practices of contemporary commercial artists and what proportion are filing registrations. As can be seen in Appendix A, of the thirty unique artists in the Top 20 UK Singles Chart [5th April 2014], only a third have a registered trade mark in the UK. It is interesting to consider whether the twenty artists devoid of one have chosen to avoid registration, have been unaware of the option, or have been presented with obstacles preventing it. These obstacles might include the TMA 1994 'absolute' grounds for refusal due to an element of the artist name itself, such as its non-distinctiveness, or 'relative' grounds for refusal because of an earlier proprietor of a registered or unregistered mark. Observing artists in the charts who have been around for several years and are unlikely to have a registration refused on either of these grounds, such as Pnau, Juicy J and Clean Bandit, it appears that many artists do not decide to register a trade mark. There are evidently many different factors at play that impact whether or not an emerging artist has yet, or is ever likely to, register a trade mark of their artist name. One reason for not filing an application is highlighted in an interview with a group involved in a band name dispute; the artist explained, 'when you start off a band, you don't really think 'oh, we'd best trademark our name'' <<http://www.bbc.co.uk/news/world-europe-quernsey-17596454>> and this comment may go some way to explain the lack of registered trade marks for the vast majority of emerging artists. 6

Looking however at the artists who have registered a trade mark, an interesting pattern to analyse is the stage in their careers at which the application is filed. Whilst Australian band 5 Seconds of Summer filed for a CTM just 6 months after their first release, the highly successful global pop star Enrique Iglesias applied for a CTM in 2013, nearly two decades after he first emerged, and during which time significant commercial success had been enjoyed in Europe. Trade mark registrations belonging to highly successful UK major label artists Coldplay and Tinie Tempah were first filed two years after the release of the debut albums which both reached number one in the UK charts. This suggests that two years might be a reasonably standard length of time between the first successful release and the filing of a trade mark application. Nonetheless the findings in Appendix A do not display a clear pattern in regards to when an artist files an application. This is likely due to the numerous other factors at play for instance the size and level of experience of the artist's representation and advisors. 7

If an artist does desire to have a registered trade mark, there is evidence to suggest that an artist should do this as early on as possible in his career. In *Linkin Park LLC's Application O/035/05* [2006] ETMR 74 an examiner rejected the application by Linkin Park LLC for the name 'Linkin Park' under the class of goods containing posters on the grounds that the mark was not distinctive and was merely descriptive. The applicants attempted to appeal, maintaining amongst other points that the name was coined by the band and therefore invented, and that it was no more descriptive for posters than the other goods that had been granted trade 8

mark registrations. However, the appeal was dismissed, with emphasis placed on how the name was no longer meaningless since it now denoted the well-known band under that name; the meaning at the date of application was what was deemed important, and not the meaning at the point at which the name was coined. This case can be argued to have severe implications in respect of artists acquiring registered trade marks, and Simon (2005, p. 265-269) proposes that the mode of analysis applied in the rejection of the Linkin Park application could be detrimental to any artists wishing to register their names for the purpose of selling merchandise since the only way that a customer could request the product is to ask for it by the artist's name. Aplin and Davis (2013, p. 524-525) pose questions as to whether the Registry is right to view the band name as 'descriptive rather than a badge of origin', and also whether a fan is actually likely to differentiate between posters and other forms of merchandise, concluding that trade mark law can be as uncertain in its level of protection as the law of passing off. Nonetheless the case of Linkin Park LLC's application provides a notable instance of problems occurring which may have been avoided if the application was filed at an earlier stage in the artist's career, and serves as a warning to artists to register their trade marks as early as possible, particularly if they are wishing to exploit their trade mark with merchandising.

X Factor analysis: the band vs. the individual

Trade mark registrations of the finalist groups in the UK talent show X Factor are filed prior to the series finale. This very early effort by Simco Limited to attain registered trade mark protection is in stark contrast to the general trend across the rest of the industry. Evidently Simon Cowell's company Simco Limited places a great deal of importance in securing registered trade marks at the earliest opportunity. Examining registrations under the name Little Mix highlights a situation where trade mark protection being sought early has turned out to be a good move. The girl band featured on the eighth series of The X Factor aired from August 2011. Having performed under the name Rhythmix, the group faced pressure from a charity with the same name and accordingly declared on 28 October 2011 that they would change their name to Little Mix <<http://www.bbc.co.uk/newsbeat/15499047>>. That same day a CTM application covering classes for music goods, clothing and toys was filed. The following month an unrelated company attempted to register the mark in class 14 for jewellery and class 25 for clothing, however in the trade mark decision *BL Number O/465/13* - Decision date 21 November 2013: LITTLE MIX, Simco Limited successfully opposed the application on bad faith under section 3(6) of the TMA 1994. If the Simco registration had not already been secured then the opposition to those other registrations would probably have been much harder, particularly since very little time would have passed by in which goodwill may have built up. This could have detrimentally impacted the band's ability to merchandise in these areas. 9

The trade marks of X Factor contestants offer an interesting measure of whether the likelihood of having a registration is guided by the type of artist in question. Nine of the X Factor finalists in 2013 were individuals and none of these artists have a registered trade mark. By comparison the three groups in the final, Kingsland Road, Rough Copy and Miss Dynamix all have CTMs registered by Simco Limited. The same pattern can be observed with contestants of previous years. There is a clear strategy in play here, and one reason for this might be that registering a trade mark of a personal name can be considered 'non-distinctive and thus unregistrable' and consequently pose problems under section 3(1)(b) of the TMA 1994. According to Bently and Sherman (2009, p. 830), to register a personal name as a trade mark it must be shown that the name is a service mark and thus goes beyond simply stating who the person is. There may of course be a different explanation behind this X Factor practice such as possible concern by the public at the idea of Simon Cowell registering ownership of a contestant's personal name. Whilst many individual artists do have a trade mark registered in their name, this appears to be generally restricted to artists who have already built up significant recognition by the time the mark has been registered, such as Pharrell Williams, Enrique Iglesias and Christina Aguilera, rather than emerging artists. Appendix A demonstrates that 30 per cent of bands have a trade mark registered in their name compared to less than 10 per cent for individuals. 10

Additional industry sectors

Looking at a slightly different sector of the industry to the highly commercial X Factor artists, the Mercury Prize nominations provide a respectable mixture of contemporary major and independent British artists that have likely garnered significant critical acclaim, but generally without huge commercial success. The nominations therefore provide another interesting list for the evaluation of emerging artists' trade mark practices. Of the twelve acts nominated for the 2012 award, seven of which are on a major label, not one has a trade mark filed. These findings may indicate that artists outside the sphere of larger commercial success are far less likely to register a trade mark, although it should be noted that several nominees are individuals rather than groups. Furthermore Plan B, who has in fact achieved notable commercial success, may have decided not to attempt a registration due to the possibility of this being obstructed by prior registrations in this name under class 9, such as UK00002451202, UK00002461177, EU010440642, EU002981587. 11

Exploring further the idea that trade mark behaviour might differ between sectors of the industry, picking the rosters of a large successful independent label and a major label provides another useful basis for analysing trends. 21 per cent of the artists on the Polydor roster have filed for a trade mark registration compared to ten per cent of artists on the XL Recordings roster. Whilst this illustrates the unsurprising fact that major label 12

artists are more likely to have a registered trade mark, the difference in the findings for commercially successful major and independent artists does not vary as much as might be expected. This suggests that factors other than the artist's record label size are more likely to be behind their trade mark practices.

Trade mark ownership

One notable observation that can be deduced from Appendix A is that a trade mark holder is most likely to be the artist or the artist's own company, rather than the management company, record label or other third party. Exceptions include the DJ Fresh trade mark which is registered under his live agent Insanity Talent Management, as well as the London Grammar trade mark which is registered under their record label Ministry of Sound. Another evident exception is the X factor artists who have their trade marks registered by the people behind the talent show. There is a suggested link here between how much control a third party has in breaking a new artist and whether that third party has ownership of the trade mark. Nevertheless the manufactured pop group The Saturdays, who were formed by Fascination Records, do own their own trade mark, which somewhat displaces this as a firm theory. The registered proprietor of The Saturdays' trade mark is a company set up by the band members, an arrangement which highlights yet another trend whereby artists form a limited company for purposes such as trade mark ownership. This can be clearly observed by the trade mark holder Radiohead Trademark Limited, seemingly set up for this sole purpose. Moreover if a partnership is put in place then this can serve as an effective means of avoiding disputes further down the line over which group members own the name, avoiding cases like *Byford v Oliver* [2003] EWHC 295. Parker (2004, p. 299) points out however that formal agreements between band members are rare in the UK due to lack of resource and understanding as well as the 'anti-authoritarian' principle of solidarity that many artists assume. In practice, the matter of who will own the trade mark should the band separate at a later stage is often ignored and the Sugababes, with a current line-up consisting of no original members, should serve as a warning to emerging artists of the importance of this consideration. 13

Merchandising: a strong correlation

Analysing further the trends in relation to which classes artists register a trade mark in provides additional interesting insights into the different strategies used, and a very evident correlation appears to exist between the trade mark strategies of artists and their merchandising activity. Olivier and Haman (2005, p.189) maintain that the amount of protection needed by an artist for their trade mark is 'intimately linked with the merchandising activities of the band', and it is therefore crucial that artists implement registered trade mark protection prior to commencement of merchandising activity. Furthermore Harrison (2008, p. 187) points out that a registered trade mark is more appealing to merchandising companies than a band is negotiating a deal with, since it provides the company with 'a monopoly over the goods for which the mark is registered' and hence offers more of an incentive for partaking in business activities with the artist. The main classes registered by artists are said to be class 9 for recording media, class 16 covering printed publications, class 25 for clothing and class 41 for musical performance services (Parker, 2004, p. 48-49); the results in Appendix A strongly support this point. However analysis of trade mark classes registered by very commercially successful artists indicates a pattern of far broader categories of goods and services that extend beyond classes directly relating to music. For instance Girls Aloud have a UK trade mark registration in fourteen classes of goods covering bed linen, dolls, household utensils, key rings and numerous non-music related goods. One Direction are one of the biggest bands in the world at present and the range of merchandise they offer extends far beyond the scope of merchandise which can usually be expected from a musical group and includes all manner of accessories and bric-a-brac ranging from hat and scarf sets through to jewellery boxes, lamps and bed linen <www.onedirectionstore.com>. 1D Media Limited, the company owned by the group members, owns four separate CTMs (EU010409531, EU010409514, EU009913195, EU009592122) covering twelve separate classes of goods which appear to encompass all articles of merchandise that can be purchased from their website. 14

Evaluating trade mark trends of other globally successful groups supports the supposition that the broad range of registered trade mark classes by One Direction actually relates more to the breadth of their merchandising habits than the success of them as a group. Take That are one of the most successful British pop groups of all time, yet they only have their trade mark registered in the standard four classes covering music related goods and clothing. The merchandise sold on the official Take That website <www.takethat.com/store> consists of T-shirts and music goods but there is little evidence online that they have branched out from conventional merchandising in the way that One Direction have. Also of note is the observation that artists are not seemingly registering trade marks in classes beyond what is required, which is logical given that section 46 of the TMA 1994 states trade mark registrations can be revoked due to non-use of the mark in a particular class. The trade mark registration UK00002419450 by Paul McCartney, however, suggests that artists may file applications as a purely defensive strategy to prevent others from exploiting their name in that class of goods. McCartney's company has registered trade marks covering meat and poultry for the reason that the vegetarian celebrity wanted 'protection against his name being used on products he does not approve of' <<http://www.theguardian.com/uk/2006/oct/14/arts.artsnews>>. There is a risk that a defensive application of this nature would be rejected on the grounds of bad faith however. 15

Whereas in the event of coexisting groups under the same name passing off has generally proved reliable for 16

protecting artists with sufficient reputation, it could be deduced that the argument behind registering trade marks in order to protect merchandising activity is far stronger. Robinson (2004, p. 151-156) explains that the problem with artists relying on passing off in the area of merchandise is that these cases turn on the concept of 'false endorsement'. No 'right of publicity' exists in English law which would give artists exclusive control over their name. In *Lyngstad v. Annabas Productions Ltd [1977] FSR 62* a passing off action against a company selling T-shirts, pillowcases and other items with Abba names failed on the basis that no customers would have presumed that the band had approved or were in any way involved with these products. This case reveals a third party allowed to profit by exploiting the name of an artist whom they have no connection with. This depicts merchandising as a vital area where in lieu of a trade mark registration passing off can prove insufficient in protecting an artist against others using their name.

Types of registered trade marks

The final observation to be made regarding the trade mark strategies of emerging artists is the type of trade mark which is usually registered. 75 per cent of the trade mark registrations in Appendix A are Community trade marks rather than UK trade marks, demonstrating an obvious preference towards the former. Bently and Sherman (2009, p.804) point out that cost is the primary factor in determining the choice of trade mark application, and if protection is sought in multiple jurisdictions then it is likely to be cheaper to use a CTM rather than national trade marks. Of the 29 non-UK artists in Appendix A with a registered trade mark, only one artist has opted for a UK as opposed to a CTM. Lady Gaga and Eminem have both CTM and UK registrations, however the majority of non-UK artists have only registered for a CTM, which is unsurprising since this will cover many more territories. Examining UK artists, there is an evident strategy in place whereby a UK trade mark is registered in the first instance and then followed up shortly after with a CTM. This can be witnessed with White Lies, The XX, Arctic Monkeys and Tinie Tempah who all filed for a CTM less than a year after the UK registration and in an identical set of classes. It is interesting to consider why artists may not go for solely the CTM in the first place, particularly since this would be a cheaper approach. Bently and Sherman explain that there is a higher risk that the mark will be 'rejected or prove invalid at the Community level', which may validate the rationale in securing a national mark first. Indeed the group Westlife had a CTM application rejected due to likelihood of confusion with an existing CTM in the name 'West', within the meaning of Article 8(1)(b) of the CTM Regulations. Olivier and Haman (2005 p. 187-188) inform us that, contrarily, the national trade mark registration caused no such problems. This CTM complication illustrates what a delicate area of law trade mark protection can be. 17

Conclusion

The significant influences behind general trade mark habits can be identified as cost, resource and understanding, and the most obvious observation when studying the trade mark habits of emerging artists is that the overwhelming majority do not register a trade mark at all. The artists that do file for applications are more likely to be groups than individuals, and the clearest example of this is with X Factor contestants. The small proportion of individuals that do register a trade mark are generally artists who have already built up significant reputation in the marketplace. Reviewing different sectors of the industry indicates that the more commercially successful an artist is the greater the likelihood they will have a registered mark, although it should be noted that there is no firm evidence that the size of the record label is an element in this. By far the most common trade mark proprietor is the artist themselves, and many set up limited companies for the holding of such assets. There is no clear pattern in regards to when an artist registers, and indeed some very commercially successful artists have not registered until many years following this success. Evidence does suggest though that the sooner an application is made the better, particularly if the driving inducement is merchandising activity. This study reveals that the strongest trend which exists in relation to the trade mark strategies of emerging artists is the correlation between the breadth of the artist's merchandising activity and the likelihood of and range of classes in a registered trade mark. This may be a combination of a desire to maximise revenue in the area of merchandising but also an acknowledgement that passing off is not as effective for protection in the merchandise environment as it is for protecting an artist if their name is adopted by another group. Numerous patterns can be identified in the findings however and it is very evident that there is no strict path which emerging artists will follow in regards to protecting their trade mark. 18

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