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May The Attractive Force Be With You

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Unregistered rights are protected by the law of passing off in the UK. In the recent decision of the IPEC in Stone v Wenman, the court reiterated and applied some key principles in the law of passing off.

The Claimant in the case, a spiritual author and holistic therapist, applied for and registered the mark ARCHANGEL ALCHEMY in 2019 in relation to training courses. She then brought a claim against the Defendant, active in the same field, for infringing her registered right. The Defendant filed a counterclaim in passing off, claiming that she had in fact been using the sign ARCHANGEL ALCHEMY since 2010 to offer her services.

The first key issue was whether the Defendant had generated sufficient goodwill prior to the relevant date in the sign ARCHANGEL ALCHEMY to succeed in her counterclaim for passing off. The relevant date for the counterclaim was the date of first use by the Claimant of the mark, which the court found be in September 2019.

The Claimant's first argument was that the phrase ARCHANGEL ALCHEMIST was only an allusive or descriptive way for the Defendant to advertise a module of her training courses. However, the judge noted that the Claimant herself had advised the court that she chose the mark ARCHANGEL ALCHEMIST due to its originality. Although the sign had sometimes used to describe the Defendant herself as THE ARCHANGEL ALCHEMIST or her methods as ARCHANGEL ALCHEMY, this did not necessarily mean that use and other evidenced use of the phrase did not constitute use as a sign.

Their second alternative argument was that the Defendant's use, in conjunction with other brands such as her name or her other branded course, did not allow her to generate goodwill in the sign itself. The judge rejected this, stating that even if one viewed the sign as a "subsidiary mark", customers would still be able to recognise different brands being used together as brands in their own right.

The third alternative argument was that the Defendant's use did not meet the *de minimis* threshold for establishing goodwill. In her assessment of the Defendant's evidence, the judge stated that "even four sales is trade which gives rise to goodwill". Given much more than four sales had been evidenced, she found the Defendant had generated enough goodwill at the relevant date. Although ARCHANGEL ALCHEMY was mostly used as name for a specific module of the Defendant's workshops, this was found to be sufficient.

The second key issue was whether the Claimant's use therefore infringed under the law of passing off. In seeking to make out her trade mark infringement claim against the Defendant, the Claimant had admitted that she herself had used the mark in trade, that the services provided by both parties were identical, and that the customer base of both parties were one and the same. There was therefore no question of whether the Claimant's use of ARCHANGEL ALCHEMY would mislead consumers under passing off.

This case reminds us that goodwill, or the "attractive force that brings in custom", does not need to be substantial, only more than trivial. The judge was particularly persuaded by testimonials from the Defendant's customers who described knowing the Defendant by her brand. The detailed discussion of the evidence is a lesson for brand owners that keeping good records of brand use is essential for claiming reputation or goodwill. It also reminds us that when facing a counterclaim based on prior rights, a Claimant should carefully consider the pros and cons of making admissions in relation to the similarity of the marks, goods and services, and average consumer.

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