

O-220-05

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2335371  
BY THE AMERICAN DRIFTERS  
TO REGISTER THE TRADE MARK  
AMERICAN DRIFTERS  
IN CLASS 41**

**AND IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 92498  
BY THE DRIFTERS UK LIMITED**

## **BACKGROUND**

1) On 19 June 2003, The American Drifters of 14 Promenade North, Thornton Cleveleys, Lancs, FY5 1DB applied under the Trade Marks Act 1994 for registration of the trade mark “AMERICAN DRIFTERS” in respect of “Live musical vocal groups” in Class 41. The applicants claim honest concurrent use with registration Nos. 2102521 and 2308667.

2) On 18 May 2004 The Drifters UK Limited of 2 Woodlands, Woking, Surrey, GU22 7RV filed notice of opposition to the application. The grounds of opposition are in summary:

a) The applicants are not a legal entity, nor are they the rightful proprietors of the trade mark DRIFTERS or any mark containing the word DRIFTERS. The applicants are not using the mark in the form as filed and have never been members of, or associated, with the genuine THE DRIFTERS vocal musical group and therefore have no claim to the use or ownership of DRIFTERS or any trade mark containing this word. The mark in suit therefore offends against Section 3(6).

b) The trade mark THE DRIFTERS has been used in relation to the activities of a vocal musical group and their live musical performances throughout the whole of the UK and was first used in 1971. The mark in suit offends against Section 5(4)(a) of the Trade Marks Act 1994.

3) The applicants subsequently filed a counterstatement denying the opponent’s claims, stating that the name THE DRIFTERS has been used and is still being used all over the world by many different people. The opponent has no original members in their group. The applicants have been established since 1998 and are registered at Companies House as THE AMERICAN DRIFTERS LTD. One of the applicants’ members (Clyde Spencer) toured extensively for many years in the USA with the original Drifters. The applicants are not attempting to pass themselves off as THE DRIFTERS but are a tribute band.

4) Only the opponent filed evidence in these proceedings. Both sides ask for an award of costs. The matter came to be heard on 16 June 2005 when the applicants were represented by Mr Lucas, and the opponent by Ms Hodson of Messrs Murgitroyd & Co.

## **OPPONENT’S EVIDENCE**

5) The opponent filed a witness statement, dated 19 November 2004, by Mark Lundquist who describes himself as “the agent and employer for the musical group THE DRIFTERS and I have held that position since 1993. I am also a Director of The Drifters UK Limited”. He states that his statement is derived from his own knowledge and records and also from information given to him from past and present members of the musical group THE DRIFTERS, work colleagues, the group’s songwriter and producer, independent authors and journalists and the group’s former business manager.

6) Mr Lundquist provides a history of the group which has seen many personnel changes through the years since its beginning in 1953. He states that:

“From the beginning, the group was run solely by Clyde McPhatter through a US company called Drifters Inc. None of the members of the group at that time or since have ever been officers or shareholders of the managing company nor have they been partners in the group. All the group members since 1953 have only ever been salaried employees.”

7) Mr Lundquist documents the various hit records and gives the names of many of the 57 credited members of the group. I do not intend to document these aspects as they do not assist me in my decision. Mr Lundquist states that in October 1954 Clyde McPhatter sold all his shares in Drifters Inc. to George Treadwell. It is claimed that Mr Treadwell maintained the same management ethos in that all the members of the Drifters were salaried employees and none had any claim to the use of the name THE DRIFTERS. He states that in 1967 George Treadwell died and his wife Faye Treadwell inherited all the shares in Drifters Inc.

8) Mr Lundquist provides the following milestones in the history of the group:

- 1971: Phil Luderman hired as tour manager, a position he has held ever since.
- 1976: All rights, title and interest in and to the use of the name THE DRIFTERS was assigned from Drifters Inc. to Treadwell Drifters Inc. with Faye Treadwell remaining as the sole shareholder in the company and manager of the group.
- 1993: Mark Lundquist appointed as the group’s agent, a position he has held ever since.
- 2001: Phil Luderman becomes the group’s manager.
- 2001: Faye Treadwell leaves the UK owing substantial debts having been made bankrupt (No. 8621 of 2000 High Court of Justice).
- 2001: bookings fulfilled with Phil Luderman and Mark Lundquist managing and controlling the group.
- 2003: Drifters UK Limited formed in June 2003.

9) Mr Lundquist claims that for approximately a ten year period prior to her departure Faye Treadwell had very little input into the day to day running of the group. He states that all the administrative and managerial responsibilities were carried out by himself and Phil Luderman. He states that he and Mr Luderman fulfilled outstanding obligations and paid debts accrued by Faye Treadwell and have continued to manage and promote the group. He states that Faye Treadwell has never objected to the continued use of THE DRIFTERS and management of the group.

10) Mr Lundquist states that Phil Luderman has been involved in all the minutiae of the day to day running and management of the group since 1971. He states that the address on the contracts for Treadwell Drifters Inc. and Treadwell Original Drifters Ltd is the home address of Mr Luderman. Mr Lundquist states that he became the agent for The Drifters in 1993 and has continued in this role ever since. As part of his duties he has obtained work permits for members of the group from the Home Office as well as finding and booking venues for concerts, promoting the group and developing the strategy and direction of the group.

11) Mr Lundquist states that as a result of his and Mr Luderman's work for the group before and after the bankruptcy of Faye Treadwell that they are the natural inheritors of the goodwill in the name THE DRIFTERS and direct descendants of the legacy and reputation in the name. He states that on 12 June 2003 a company called The Drifters UK Limited was set up with both himself and Mr Luderman as directors. He also states that "Prior to the company being formed Phil Luderman and myself assigned all rights, including goodwill, in the name THE DRIFTERS to this company". The then members of the group also signed a similar assignment document.

12) Mr Lundquist claims that the above shows that whilst the performing members of the group have frequently changed, the exercise of control of the group has remained constant through George Treadwell, his widow Faye Treadwell through the operating companies Drifters Inc, Treadwell Drifters Inc and Treadwell Original Drifters Ltd and now through himself and Mr Luderman through The Drifters UK Limited.

13) Mr Lundquist provides figures for revenues generated in the UK through live performances:

Year	£
1999/2000	356,000
2000/2001	179,000
2001/2002	176,000
2002/2003	244,000
2003/2004	387,000

14) Mr Lundquist states that the evidence provided by the applicants to show honest concurrent use does not stand up to scrutiny. He states that the applicants in 1998 and 1999 used the name THE AMERICAN TRIBUTE TO THE DRIFTERS (TATTTD) and that the evidence has been carefully selected so that this fact was not clear. Mr Lundquist at exhibit ML 24 provides press cuttings which show clearly that the applicants were originally called TATTTD. Mr Lundquist claims that the applicants have also used the names THE SENSATIONAL AMERICAN DRIFTERS, THE FABULOUS DRIFTERS and more recently AMERICAN DRIFTERS, although there have been instances he claims when they have used simply THE DRIFTERS or DRIFTERS. At exhibit ML25 he provides an advertisement which is for a show. The title shows the name of the group as "The American Drifters" but alongside it is what appears to be an album cover with a photograph of four men under the title "The Fabulous Drifters". It is not clear to me whether this album was released by the tribute band or by the original group. At exhibit ML26 there are four pages from what would appear to be a publicity brochure. Whilst the name "The American Drifters" is used the word "American" is significantly smaller than the word "Drifters". There is

also a bill board where the word “Drifters” is substantially larger than the word “American”. Also in this exhibit are a number of press cuttings which show bookings for the applicants group where the paper has referred to them simply as “The Drifters” and in one instance where they have been mistakenly identified as the original group. Mr Lundquist states that the word AMERICAN is often so miniscule that it can barely be seen and that even if it were visible then the public would regard it as a reference to the nationality of the group which is and has always been American.

15) Mr Lundquist disputes that applicants’ claim that they (the applicants) are a tribute band as he claims that usually such groups have “quirky names which have an allusion to the original group name, i.e. Rumours of Fleetwood Mac, Rolling Crones, Bootleg Beatles etc”. He states that the term “American Drifters” does not follow this pattern, merely being the name of the group and a geographical indicator. He states that the use of “American Drifter” has caused confusion with newspapers linking the applicants group with the original group even on one occasion printing a photograph of the opponent group in an article on the applicants group. Similarly there have been references to sales of records which relate to the activities of the opponent and its predecessors. Mr Lundquist also claims that none of the members of the AMERICAN DRIFTERS has ever been a member of THE DRIFTERS. Mr Lundquist also points out that the applicants have not provided any material to prove the sale and promotional turnover figures given in the witness statement i.e. copy invoices, accounts etc.

16) At exhibit ML29 he provides a letter from two fans who went to a concert given by The American Drifters believing that the opponent’s group were performing. The fans were clearly unhappy with the show that they witnessed.

17) Mr Lundquist provided a large number of exhibits, most of which are dated prior to the bankruptcy of Faye Treadwell in 2001. The applicants have not disputed the claims made by Mr Lundquist that he and Mr Luderman have been associated with the group, The Drifters, for some considerable period as employees of the companies of Mrs Treadwell. Nor have the applicants contested that the Drifters have had several hit records in their history. A compilation album “The Definitive Drifters” was released in 2003.

18) That concludes my review of the evidence. I now turn to the decision.

## **DECISION**

19) I shall first consider the ground of opposition under Section 5(4)(a) which reads:

“5.(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) ....

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

20) In deciding whether the mark in question “AMERICAN DRIFTERS” offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the *WILD CHILD* case [1998] 14 RPC 455. In that decision Mr Hobbs stated that:

“The question raised by the grounds of opposition is whether normal and fair use of the designation WILD CHILD for the purpose of distinguishing the goods of interest to the applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art.4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the applicant in accordance with the law of passing off.

A helpful summary of the elements of an action for passing off can be found in Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd v- Borden Inc* [1990] RPC 341 and *Even Warnik BV v J. Townend & Sons (Hull) Ltd* [1979] AC 731 is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.””

21) The date at which the matter must be judged is not entirely clear from Section 5(4)(a) of the Act. This provision is clearly intended to implement Article 4(4)(b) of Directive 89/104/EEC. It is now well settled that it is appropriate to look to the wording of the Directive in order to settle matters of doubt arising from the wording of equivalent provisions of the Act. It is clear from Article 4(4)(b) that the earlier right had to have been “acquired prior to the date of application for registration of the subsequent trade mark, or the date of the priority claimed...”. The relevant date is therefore 19 June 2003, the date of the application.

22) With these considerations in mind I turn to assess the evidence filed on behalf of the opponent in the present proceedings as set out earlier in this decision, and the arguments put forward at the hearing.

23) The opponent has tried to link itself to use of the mark DRIFTERS since 1953. However, I do not accept this, as the use from 1954-2001 was under the control of Mr & Mrs Treadwell via a number of companies. The evidence states that in 2001 Mrs Treadwell went bankrupt and left the country. The goodwill in the name DRIFTERS at that time resided in the company Treadwell Drifters Inc. Two employees of this company Mr Lundquist and Mr Luderman set up their own company and fulfilled the concert bookings of Treadwell Drifters Inc. This is not contested by the applicants, although claims made at the hearing that the applicants group were used by the opponent at this time were not substantiated in evidence.

24) No evidence was filed as to what became of the company Treadwell Drifters Inc. or to show that the opponent had purchased the business and the goodwill. In the absence of such evidence the opponent can only rely upon the use made of the DRIFTERS mark subsequent to 2001.

25) The opponent has filed evidence to show that it has traded in the UK in the company name "The Drifters UK Limited" and that the singing group that it manages is promoted under the name THE DRIFTERS. Turnover figures for live appearances in the UK have been supplied and in the period 2001-2003 average at just over £200,000 per annum. None of this evidence was disputed by the applicants, who stated that the mark in suit would be seen as being the name of a tribute band and not confused with the original group. The applicants did contend that the opponent had no claim to be the original group as none of the current members of the opponent's group ever featured on recordings issued under the name "The Drifters".

26) The opponent has therefore cleared the first hurdle in showing that by the relevant date 19 June 2003 it had goodwill in the name THE DRIFTERS. I now move on to consider the issue of misrepresentation. It is clear, and it is not disputed, that both parties are in exactly the same field of activity, namely, live musical vocal groups. Considering the two marks "THE DRIFTERS" and "AMERICAN DRIFTERS" both obviously contain the word "DRIFTERS". The use of the definite article in the opponent's mark is a clear attempt to link into the original group controlled for decades by the Treadwell's and which had a considerable reputation. It does not dilute the dominant part of the mark, if anything it imbues it with additional significance. The first word in the mark in suit "AMERICAN" is not, in my view, the dominant part of the mark. It provides an indication of the geographical origin of the group, which in this instance is an historically accurate one as the name was first used by a singing group in the USA in the 1950s. Conceptually, both marks are similar. Although there are visual and aural differences between the marks these are not enough to outweigh the similarities.

27) The applicants contended that the general public is used to the concept of tribute bands and so would differentiate between the groups of both parties. Whilst I accept that the average consumer is aware of the thriving market in tribute bands such bands are usually identifiable as they have titles which are slightly tongue in cheek such as "Rumours of Fleetwood Mac" or where the public know that the original members

cannot or will not reform due to death or personal issues. In the instant case the evidence shows that there have been so many members of the group “The Drifters” that it must be doubtful if the average consumer could identify or name any of the fifty plus individuals who have appeared on stage and on records under the original title. Therefore, use of the mark in suit would not, in my opinion, alert the average consumer to the fact that this was a tribute group. I believe that the average consumer would be aware that the group “The Drifters” originated in America.

28) To my mind the similarities between the marks outweigh the differences and when combined with the identical services would result in the average consumer being misled into believing that the services offered by the applicants were services of the opponent. There is evidence, albeit sparse, of damage to the opponent where consumers have purchased tickets to the applicants’ concerts believing that the opponent’s group would be appearing. These fans were clearly unhappy with the performance given by the applicants’ group. All three elements of the test, goodwill, misrepresentation and damage have been shown, therefore the opposition under Section 5(4)(a) succeeds.

29) In the light of the above finding I do not need to go on to consider the ground of opposition under Section 3(6).

30) As the opponent has been successful it is entitled to a contribution towards its costs. I order the applicants to pay the opponent the sum of £2000. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 2nd day of August 2005**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**