

[2023] EWHC 1028 (IPEC)

Claim No: IP-2022-000006

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (Ch)
INTELLECTUAL PROPERTY ENTERPRISE COURT**

Royal Courts of Justice
The Rolls Building
7 Rolls Buildings
Fetter Lane
London EC4A 1NL

Date: Tuesday, 2nd May 2023

Before:

RECORDER AMANDA MICHAELS

Between:

HAYMAN-JOYCE PROPERTY LIMITED

Claimant

-AND-

(1) HAYMAN-JOYCE BROADWAY LLP

(2) CHARLES ROBERT HENRY COMBER

Defendants

VICTORIA JONES (instructed by **Temple Bright LLP**) for the Claimant
GEORGINA MESSENGER (instructed by **Hughes Paddison**) for the Defendants

Hearing dates: 7 and 8 February 2023

APPROVED JUDGMENT

This judgment was handed down by the Court remotely by circulation to the parties' representatives by email and release to The National Archives. The date and time for hand-down is deemed to be 10:30 on 2 May 2023.

Miss Recorder Amanda Michaels:

1. This case arises from a dispute between two firms of Cotswolds estate agents about use of the name “Hayman-Joyce.” The firms previously worked together, but have fallen out, and in this claim the Claimant alleges infringement of its trade mark and passing off. This judgment relates to the trial of liability only.

Background

2. In 1991 James Hayman-Joyce FRICS set up an estate agency in Moreton-in-Marsh in the Cotswolds, which traded as “Hayman-Joyce” and provided a full range of estate agency services: residential and commercial sales, lettings and valuations. He was the sole proprietor of that business. He provided his services in Moreton and the surrounding area.
3. In March 1996, James Hayman-Joyce entered into an agreement with a business called Mayfair Office Ltd, enabling him to market properties from its London office and expand his clientele for sales and lettings geographically. A map forming part of the agreement showed the areas in which the Mayfair Office was to act on behalf of Hayman-Joyce, extending over a roughly oval area around Moreton, as far as Chipping Norton to the east, to the north of Chipping Camden, and on the west not far from Evesham and Cheltenham. The Claimant’s position was that the area shown on the map represented only part of the area in which the business then operated, as the Mayfair Office had similar arrangements with other agents in adjoining areas. In the circumstances, quite how wide an area was covered by the business in those early years was a matter of some contention, but it certainly extended for some distance (the Claimant said, some 25 miles) around Moreton-in-Marsh. Certainly, the Defendants accepted that Hayman-Joyce had marketed some properties in and around the village of Broadway, around 8 miles to the west of Moreton-in-Marsh, between 1992 and 1997. The name used for the business was at all times HAYMAN-JOYCE, presented in upper case letters and on a dark red background.
4. In 1997, James Hayman-Joyce decided to open a second Hayman-Joyce office in Broadway. He was acquainted with Charles Comber (the Second Defendant) who was then employed at Knight Frank’s Stratford-upon-Avon office, which covered the North Cotswolds and wider Midlands. He made an offer to Mr Comber to join the new Broadway office: initially he was to be its manager, but they agreed that if the business did well over a 12 month trial period, Mr Comber would be offered a partnership. Mr Comber joined the new office in about May 1997 on that basis, whilst James Hayman-Joyce continued to work primarily from the Moreton office. It seems that the Broadway office did well, and they agreed to enter into a formal partnership. A Deed of Partnership (“the Partnership Agreement”) was executed in January 1999, and the commencement date of the partnership was stated to be 1 May 1998. A map annexed to the Deed showed two roughly equally-sized kidney-shaped areas of the Cotswolds, the “Moreton Patch” and the “Broadway Patch,” in which the two businesses were stated to have exclusive rights. Both parties were permitted to trade in any other area (“No Man’s Land”). It was the Claimant’s case that by the Partnership Agreement the Broadway office was granted an implied licence to use the Hayman-Joyce name in the

areas permitted and that the licence continued until terminated by the Claimant in early 2021. The Defendants asserted that the Agreement assigned rights in the name to the partnership and that the Broadway business had its own goodwill in the name. I consider the terms of the Partnership Agreement further below.

5. The Broadway office and the Moreton office traded in parallel for many years, both using the Hayman-Joyce name, sharing business overheads and back-office functions where possible and co-operating on matters including branding and marketing. They also both used a single website with a domain name, www.haymanjoyce.co.uk, which was registered by James Hayman-Joyce on 1 December 1997. The offices were, however, financially independent throughout.
6. A further Hayman-Joyce office was opened in Winchcome in about 2003, to undertake residential sales in that area of the Cotswolds. Mr Comber's evidence was that this was also a partnership venture between himself and James Hayman-Joyce, together (initially) with a third gentleman, Mr Gavin Wallace. Mr John Yarnold was the manager of that business between 2006 and 2008, when it was wound up.
7. In 2010, the parties were advised that it would make sense to operate both businesses through a limited liability partnership structure. This led to the incorporation of two LLPs, both on 11 June 2010.
8. Hayman-Joyce Moreton LLP ("the Moreton LLP") was incorporated to take over the Moreton business and the original members were James Hayman-Joyce, his wife Charlotte, and his service company. It seems that there was no formal assignment of the goodwill in the Moreton business to the LLP. Thomas Hayman-Joyce, who is James and Charlotte's son, is a member of the RICS and had been in the real estate business since 2003; he had worked for both Winkworths and Savills in London. In June 2010, he started working full-time for the Moreton business. He became a member of the Moreton LLP in August 2010. John Yarnold, who had taken a job at the Moreton office after the Winchcombe office closed, also became a member of the LLP at that point, but retired in 2015. Mr Yarnold's evidence was that he has always just been an employee of the Moreton business.
9. Similarly, in June 2010, the First Defendant, Hayman-Joyce Broadway LLP, was incorporated and its members were James Hayman-Joyce and Mr Comber and their respective service companies. The shares were held 70% to Mr Comber and his company, and 30% to James Hayman-Joyce and his company.
10. Mr Comber's evidence was that in August 2010, following the incorporation of the First Defendant, the original Broadway partnership was dissolved. I think that the fact of dissolution at that time was common ground, but there was no document formally recording the dissolution of the partnership, nor does it appear that any express oral agreement about the dissolution was reached between James Hayman-Joyce and Mr Comber. On the contrary, it appears they tried for a considerable period after August 2010 to negotiate the terms of a partnership agreement for the First Defendant. In the meantime Mr Comber thought that the terms of the Partnership Agreement continued to apply, despite the incorporation of the LLPs, but this does not ever seem to have been agreed, although both sides acted as if the LLPs were bound at least by the geographical restrictions in the Agreement.

11. Various post-2010 draft agreements were in evidence before me. At least one of these, from 2012, provided that the original Partnership Agreement was to remain in force, save as varied by the new LLP agreement, and James Hayman-Joyce raised with Mr Comber his concerns about what was to happen upon dissolution, including as to the Hayman-Joyce name. However, no agreement was reached. Perhaps as a result, there was never a formal assignment of any goodwill owned by the Partnership to the First Defendant.
12. The Claimant company was incorporated on 12 August 2014, initially under the name Tom Hayman-Joyce Limited. It changed its name to Hayman-Joyce Property Limited on 12 January 2015. Thomas Hayman-Joyce has been its sole director throughout and owns the shares in the business with his wife, Amy. The business and goodwill of the Moreton LLP was apparently sold and transferred to the Claimant company in 2014 or 2015. Again, so far as I understand it, there was no formal documentation evidencing the assignment, but there is no dispute that the goodwill must have been transferred with the business. After the Claimant took over the Moreton LLP's business, James Hayman-Joyce remained as a consultant to the Claimant's Moreton business, combining that role with his position as a partner in the First Defendant until early 2022.
13. At some point after the structural and personnel changes in 2010, the relations between the two businesses and the parties began to deteriorate. I do not need to establish when the strains began to appear, nor why they did so, but it is notable that no agreement was reached in 2012 for the Broadway LLP, and it appears that disagreements arose both between James Hayman-Joyce and Mr Comber, and between Thomas Hayman-Joyce and Mr Comber. For instance, in 2015 Mr Comber took legal advice at least about the First Defendant's entitlement to the income on commercial sales, and discussed that advice with the others. It seems that both Thomas and James Hayman-Joyce disagreed with the advice he had been given.
14. By 2018 Thomas Hayman-Joyce and Mr Comber disagreed (amongst other things) about the ownership and use of the Hayman-Joyce name, and each party's right to trade under the Hayman-Joyce name in the Broadway Patch. This put James Hayman-Joyce in a difficult position as he remained a partner in the Broadway business (he and his service company retired from the LLP on 2 February 2022). Mr Comber's evidence was that when there was conflict between himself and Thomas Hayman-Joyce as to the businesses, James Hayman-Joyce tended to side with his son, and I was shown a number of emails in which James Hayman-Joyce disagreed with Mr Comber's approach or activities at various dates.
15. During the course of 2018, James Hayman-Joyce and Mr Comber sought again to negotiate terms of an LLP agreement. They (and Thomas Hayman-Joyce) instructed separate firms of solicitors. From mid-2018 they discussed the continued use of the Hayman-Joyce name by the First Defendant and whether there should be a co-existence agreement with the Moreton business. James Hayman-Joyce relied on the transfer of the 'brand' Hayman-Joyce to the Claimant in 2014, but Mr Comber riposted that he considered that the Partnership Agreement still governed the position. In July 2018, Mr Comber's solicitors proposed a formal co-existence agreement relating to use of the brand and the exclusive areas in which each business would operate. That led to some

- discussions directly between Mr Comber and Thomas Hayman-Joyce, seeking, unsuccessfully, to resolve the issue.
16. On 29 October 2018, Mr Comber wrote to James Hayman-Joyce saying that there was to be a meeting with Thomas, whose solicitors had proposed “some sort of licence agreement” and he asked James Hayman-Joyce to attend. He added that he assumed that James Hayman-Joyce would “not wish to agree to a licence that would in any way affect the freedom to conduct our business.” James Hayman-Joyce responded that he saw no reason to attend the meeting as he thought there was not much to negotiate, as the agreement “should cover the geographical restrictions for the sale of residential property as set out in the 1999 agreement” as well as “our” use of the brand. As I understand it, a meeting did take place on 1 November 2018, without James Hayman-Joyce’s attendance. There was some dispute as to what was said on that occasion. Thomas Hayman-Joyce said, in the opposition proceedings mentioned below, that following that meeting he thought the First Defendant/Mr Comber would be amenable to taking a licence to use the Hayman-Joyce name.
 17. It was in those circumstances that, on 5 November 2018, the Claimant applied to register HAYMAN-JOYCE and HAYMAN JOYCE as a series of trade marks for the following services:
 - Class 35**
Auctioneering services; arranging and conducting auctions; online auctioneering; property auctioneering services.
 - Class 36**
Real estate affairs; real estate brokerage; real estate appraisal; rental of real estate; real estate management; real estate agency services; rental of offices [real estate]; financial evaluation [real estate].
 18. On 7 November 2018, Mr Comber’s solicitors set out some proposals for terms of a co-existence agreement and said “Both [Thomas Hayman-Joyce and the First Defendant] have developed goodwill in their businesses ... We agree that it would be worthwhile for the parties to register the trade mark but as originally suggested to [Thomas’s solicitor], this should be a joint application.” James Hayman-Joyce objected on the same day to what he saw as the expansion of the matters in issue, and expressed concern at the same solicitors acting both for Mr Comber and for the First Defendant. After some further exchanges that day, Mr Comber’s solicitor wrote again on 16 November 2018, expressing disappointment that the trade mark application had been made unilaterally and without notice. He said that if the outstanding issues were not resolved in time, he would advise his client to oppose the application. James Hayman-Joyce objected that he would not allow the LLP to contest the application, moreover, he said that he supported the trade mark application.
 19. Mr Comber (and his service company) therefore opposed the Claimant’s trade mark application in their own names rather than on behalf of the First Defendant, claiming to have goodwill in the signs HAYMAN-JOYCE and HAYMAN JOYCE based upon use since 1998 in “Broadway, Worcestershire and the surrounding areas of approximately a 9 mile radius” in relation to “Real estate services including residential sales, sale of

freehold commercial property, property auctions and valuations,” such that the mark offended against section 5(4)(a) of the Act. They also alleged that the mark was applied for in bad faith as the parties were in a partnership and jointly using the mark, but the application was made without the knowledge of the opponents.

20. Mr Comber claimed in the opposition (according to the decision dated 15 July 2020) that he and James Hayman-Joyce jointly owned the assets of the original Broadway partnership, including its goodwill. However, James Hayman-Joyce filed a witness statement in December 2019 supporting the trade mark application, concentrating on his view that no goodwill was owned by Mr Comber or his service company, so that they were not in a position to oppose the trade mark application. He made some contradictory statements in his witness statement. On the one hand he said

“I believe it is common ground that no goodwill exists in the original Partnership or owned by each of us as partners to that Partnership. I do not understand how [Mr Comber] can think that the Partnership exists when we have each disposed of our goodwill in that and it is clear that the partnership can no longer trade.

Even if the Partnership is not dissolved (I do not see how this could be the case) ... The original goodwill from the Partnership is clearly now held by [the First Defendant] - created to continue the business of the Partnership ...”

On the other hand, he said

“I believe that the HAYMAN-JOYCE brand is owned by [the Claimant]. This is because I began the original Hayman-Joyce brand when I started to operate as a sole trader in Moreton on the Marsh in 1991. This business subsequently became [the Claimant].

I never sold the Brand to [the First Defendant].

I firmly believe that [the First Defendant] uses the Brand under an implied licence from [the Claimant]”

21. The Hearing Officer for the Registrar, Mr Salthouse, in a written decision of 15 July 2020, decided that Mr Comber and his service company had no locus to bring the opposition based on s 5(4)(a), as they did not personally own any relevant goodwill. He went further, and expressed his view that the Claimant had goodwill in and around Moreton and the “new partnership” had goodwill in and around Broadway, saying “In the instant case there is disagreement as to whether the initial partnership which was subject of the agreement was dissolved in 2010 when HJB LLP was formed. To my mind, it does not matter whether the partnership was dissolved or not. The goodwill accrued between 1 May 1998 and 31 July 2010 under the partnership of Mr James Leslie Hayman-Joyce (JHJ) and Mr Comber belonged to the partnership. Either that partnership continued under the guise of HJB LLP and the goodwill of twenty plus years is owned by the partnership or the initial partnership was dissolved in 2010 and a new partnership (HJB LLP) owns the goodwill accrued subsequently.” In his view, which it is common ground is not binding upon me, both of the LLPs had localised goodwill, so neither was entitled to register the mark without the other’s consent. He concluded that had the opponent had locus, the opposition would have succeeded. He rejected the opposition under s 3(6). The mark therefore proceeded to registration on 9 October 2020.

22. Then in late 2020 the Broadway business took a number of steps to which the Claimant objected, such as starting to use the name HAYMAN-JOYCE BROADWAY,

registering the domain name www.haymanjoycebroadway.co.uk and distributing a flyer in the Moreton office's area of exclusivity. Mr Comber's position was that the Claimant had refused to agree to various joint contracts, and in late 2020 he had felt obliged to start to make alternative arrangements for the Broadway business. On 25 January 2021, the Claimant's solicitors wrote to Mr Comber complaining of breach of an implied licence from the Claimant to use the trade mark, and calling on him to remedy the breaches and enter into a written licence agreement by 31 January 2021, failing which the licence would be terminated on that date, and the business would be required to rebrand by 30 April 2021. No agreement or resolution was reached. On 31 January 2021, the Claimant took the First Defendant off the joint website and excluded it from the joint management and email systems.

23. This breakdown in the relations between the LLPs plainly put James Hayman-Joyce in a difficult position. On 28 May 2021, his solicitors wrote to the solicitors for all of the other parties, explaining that he felt under pressure to "raise his head above the parapet" - perhaps an odd remark given his previous support of the Claimant's trade mark application. In any event, his solicitors stated that his view, on more careful analysis, was that there had never been a licence from the Moreton business to the Broadway business, contrary to what he had said in his evidence to the UKIPO. His solicitors expressed the view that goodwill which he had owned in the Broadway area before formation of the original partnership with Mr Comber had been superseded by goodwill generated by the Broadway business, such that the Claimant's trade mark had been invalidly registered. Their (optimistic) suggestion was that the parties should instead enter into a co-existence agreement.
24. On 2 February 2022, Mr Comber purchased James Hayman-Joyce and his company's share of the First Defendant.
25. These proceedings were issued on 3 March 2022, alleging passing off and trade mark infringement. There is also an allegation of infringement of copyright in some articles allegedly written for the Claimant and used without permission by the First Defendant. The Defendants deny all of the claims and counterclaim for a declaration of invalidity of the trade mark. On 7 June 2022, HHJ Hacon gave directions which identified the Issues to be decided. I append these at Annex A to this judgment.

The witnesses

26. At trial I heard evidence for the Claimant from Thomas Hayman-Joyce, Mr Asad Noorani, the accountant who had advised the various businesses for some years, including in 2010 when the LLPs were formed, and from Mr John Yarnold, who is an employee of the Claimant but previously worked for the Winchcombe office. Mr Hayman-Joyce accepted that his knowledge of the position prior to 2010 was not direct, but was based upon the documents and what his father had told him. I bear that in mind in considering his evidence. I found all of them to be honest witnesses, who were doing their best to assist the court.
27. Mr Comber was the sole witness for the Defendants. The Claimant's counsel accepted that he was doing his best to tell the truth, but suggested that there were a number of inconsistencies between his oral evidence and his witness statement, whilst he was overly "fixated" on the continuing impact of the Partnership Agreement. It does seem

to me that Mr Comber's statement contained material that amounted to comments or submissions drafted by his lawyers rather than being evidence of facts which he could recall. There were also some points made in his witness statement (for instance as to commercial sales claimed to have been effected by the Broadway office) which were incorrect. That was unfortunate, but to his credit Mr Comber willingly admitted points on which his recollection was mistaken or unclear. I have borne this in mind where relevant, for instance in relation to the evidence about the commercial sales, but overall I find that he too was an honest witness seeking to assist the court.

28. The obvious missing witness was James Hayman-Joyce. He did not give evidence in support of either side in the dispute. Thomas Hayman-Joyce set out in his witness statement a number of reasons why the Claimant had not called his father. He was not cross-examined on this, nor was I invited to draw any inference based on the fact that James Hayman-Joyce did not give evidence. Without having heard him it is not possible for me to assess whether his real views about an implied licence are those set out in his witness statement in the opposition, or the opposite view expressed in his solicitors' letter in May 2021, or indeed how the points made in his witness statement may be reconciled with each other. However, I have borne in mind his evidence about the position in 1997-8, so far as it is consistent with the documents, or is not seriously contested by the parties.

Goodwill

29. The essential issue in this case is that of the ownership of the goodwill in the Hayman-Joyce name. There are issues as to the ownership of the goodwill at various dates in the areas which the parties dubbed the Moreton and Broadway Patches, and also an issue as to whether the Broadway business can claim goodwill in relation not just to residential sales but also to other aspects of the estate agency business.
30. There was no real dispute between the parties as to the applicable principles. Lord Oliver in *Reckitt & Colman Products Ltd v Borden Inc* [1990] 1 WLR 791, at 499, spoke of the plaintiff in a passing off action being required to "establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying...brand name or a trade description or [get-up]." In *Star Industrial Company Ltd v Yap Kwee Kor* [1976] FSR 256 (PC), Lord Diplock said at 269:
- "A passing-off action is a remedy for the invasion of a right of property not in the mark, name or get-up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing-off one person's goods as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached."
31. However, as Lloyd LJ said in *Dawnay Day* at [50]-[51], it is possible for several businesses using the same name to acquire their own goodwill in a business name, or to share the goodwill. Such goodwill may have evolved independently, or have devolved from a common ancestor (see *W. S. Foster & Son Ltd v Brooks Brothers UK Ltd* [2013] EWPC 18). Whether the businesses do share the goodwill, or whether on the particular facts of the case one of them owns the rights, depends on the individual facts of the case, and in this case, the contractual arrangements between them. The Claimant accepted that the Broadway businesses had generated goodwill in the

Broadway Patch, limited to residential sales, but said it accrued to the Moreton business. The Defendants submitted that it would be artificial to distinguish between residential sales services and other kinds of estate agency services, such as lettings or commercial sales, and that the parties cannot be said to have goodwill only in certain of those services. Its case was that both sides own goodwill in a business which includes the full range of estate agency services. Had the parties set up independently of each other or had they both provided the full range of such services following the Partnership Agreement, I accept that both would probably have had such goodwill, but in my judgment two factors militate against such a conclusion here: first, the impact of the exclusive “Patches” has to be taken into account, and secondly the First Defendant and the partnership before it are said not to have provided a full range of estate agency services. I have therefore felt it necessary to analyse the position in relation to different categories of estate agency services.

The Claimant’s claim to goodwill

32. The Claimant produced a number of documents showing the scope of James Hayman-Joyce’s business prior to 1997, including marketing materials and ledgers, and the agreement with the Mayfair Office. It is no surprise that the early records were rather limited so long after the event, but Thomas Hayman-Joyce was able to identify from hand-written ledgers of properties dealt with pre-1997 a number of properties which were in Broadway or in what became the Broadway ‘Patch.’ In the Defence the Defendants denied that the Claimant or its predecessors in business ever had goodwill in relation to residential sales in the Broadway Patch. However, Mr Comber gave evidence that James Hayman-Joyce’s business had offered estate agency services, from the Moreton office and had, in particular, marketed properties in Broadway and the surrounding area prior to 1997, although he said that this represented a small proportion of the overall business.
33. In the circumstances, I am satisfied that James Hayman-Joyce’s business had generated goodwill in relation to estate agency services in and around Moreton by 1997, amongst those potentially wishing to sell or let their properties in the area, that is to say, the pool of clients potentially attracted by the goodwill attaching to the name. Broadway is only 8 miles from Moreton, and in my view, goodwill generated by the original business would undoubtedly have extended to Broadway, and indeed further afield in (or, given the Mayfair office, even beyond) the Cotswolds, and probably in the whole of what was later called “No Man’s Land.” Doing the best I can, I accept the Claimant’s submission that the area in which it had goodwill extended to a radius of 25 miles from the Moreton office.
34. There is no dispute as to the Claimant’s ownership of goodwill in the Moreton Patch as the successor to James Hayman-Joyce’s business. The Defendants put the Claimant to proof of its goodwill as at November 2020, when the Defendants commenced acting in the manner which the Claimant says amounts to passing off, in both the Broadway Patch and “No Man’s Land.” As to the latter, it was not seriously disputed by the Defendants that the Moreton business had offered estate agency services in No Man’s Land over many years. In my judgment, the evidence, such as the Rightmove listings and sales identified by Thomas Hayman-Joyce, amply supports the Claimant’s claim to goodwill in No Man’s Land for estate agency services up to November 2020.

35. Mr Comber also admitted that the Claimant and its predecessors had offered residential lettings and commercial sales and lettings services in the Broadway Patch after 1998 despite the exclusivity terms of the Partnership Agreement, although he claimed that it too had offered commercial sales and lettings, but no residential lettings, in the area. In the circumstances, I find that as at November 2020 the Claimant also owned goodwill in the Broadway Patch for residential lettings and commercial sales and lettings services. It (and its predecessors) have not traded in the Broadway Patch in relation to residential sales since 1998. For the reasons given below, I reject its claim to have been the licensor of the partnership or later of the First Defendant, and I find that the Claimant did not own goodwill in the Broadway Patch area in relation to residential sales as at November 2020.

The First Defendant's claim to goodwill

36. When the Broadway office was set up in 1997 in my judgment it benefited from and relied upon the existing goodwill generated by James Hayman-Joyce from his existing business (both from the Moreton and Mayfair offices). The Broadway office was an extension of that business, as Mr Comber accepted in cross-examination, and prior to the formation of the Broadway partnership, the goodwill generated by the Broadway office belonged to James Hayman-Joyce. It is common ground that once the partnership came into being, the partnership and thereafter the First Defendant continued to trade in the Broadway Patch, and to a lesser extent in No Man's Land. In doing so, it is common ground that they built up goodwill in the Broadway Patch for residential sales services. However, a central issue between the parties was who owned the goodwill in (at least) residential sales services in the Broadway Patch, which turns on how, if at all, ownership changed upon the commencement of the partnership.
37. Plainly, the partnership could not have started to use the Hayman-Joyce name in the Broadway Patch for any kind of estate agency services in 1998 without James Hayman-Joyce's consent. Mr Comber's evidence was that there was an understanding that the Moreton and Broadway businesses would each accrue goodwill in the name attaching to their own business, but as he did not explain how or when that understanding had arisen, or suggest that there had been any express agreement to that effect, it seems to me that I must rely upon the terms of the Partnership Agreement dated 29 January 1999 as recording the parties' intentions at the relevant time. Neither side suggested that there was any other relevant agreement, whether oral or in writing.
38. The Agreement stated that the partnership commenced on 1 May 1998. It provided that the business of "Estate Agents and Surveyors" was to be carried on from offices at The Green, Broadway under the Hayman-Joyce name, but contained no express provisions relating to the goodwill which would be generated by the partnership under that name. Clause 10 provided that, unless otherwise agreed in writing, all assets used by the partnership would be assets of the partnership, which, as the Defendants contended, would suggest that goodwill in the name was a partnership asset, consistently with s 20(1) of the Partnership Act.¹ However, Clause 10 went on, "The Moreton Business and all assets used therein shall be expressly excluded from the Partnership Property." To my mind it is not clear from Clause 10 alone whether the parties intended the

¹ "(1) All property and rights and interests in property originally brought into the partnership stock or acquired, whether by purchase or otherwise, on account of the firm, or for the purposes and in the course of the partnership business, are called in this Act partnership property, and must be held and applied by the partners exclusively for the purposes of the partnership and in accordance with the partnership agreement."

Hayman-Joyce name to be an asset of the partnership, or excluded from the partnership assets as an asset of the Moreton business.

39. Clause 20 of the Agreement made various provisions for retirement and dissolution. Sub-clauses (a)-(c) provided that either partner could retire on giving 6 months' notice, or one partner could give the other notice to retire on reaching the age of 68 or being unable to perform his duties due to ill health etc. Clause 20(d) provided that in the event of a dissolution pursuant to Clause 20 (a)-(c), or due to the expulsion or death of a partner, "the Partnership shall not be wound up but shall be continued by the other Partner (unless he shall elect otherwise) subject to the option of the Continuing Partner(s) to purchase the outgoing or deceased Partner's share." There is nothing in this clause restricting the right of the surviving or continuing partner to continue to use the Hayman-Joyce name for the business, whether or not the option was exercised.
40. Clause 21 dealt with the option to purchase the outgoing or deceased partner's share, this was to be on the basis set out in the Second Schedule to the Agreement, which says nothing about the name. Clause 22 contained non-competition clauses for departing partners, which included a ban on James Hayman-Joyce opening a competing office within a radius of 10 miles of the Broadway office, but expressly did not prohibit him from carrying on the Moreton business.
41. Clause 25 then provided for dissolution in other circumstances: "Upon Dissolution of the Partnership in any event not otherwise provided for its affairs shall be wound up in manner provided by the Partnership Act 1890, except that the Goodwill (if any) of the practice shall not be sold and each partner may individually or collectively continue the business carried on by the Partnership but none of them shall use the name of any other Partner without the consent of such other Partner or his personal representative and none of them shall use the name of the Partnership." (emphasis added)
42. The differences between Clauses 20(d) and 25 are significant and help in construing the Agreement. Taking all of the provisions I have mentioned into account, in my judgment it is clear that the express agreement between the parties was that when dissolution occurred because one partner had died or retired, the Continuing Partner would be entitled to use the name of the Partnership, with an option to purchase the outgoing or deceased partner's share of the partnership assets. It was only in dissolution in otherwise unforeseen circumstances that Clause 25 would apply, and only then would there be a ban on all of the individual partners continuing to use the name.
43. The Claimant suggested that there were three possible ways to construe the Partnership Agreement. First, and this was the Claimant's case, it could be construed as granting a licence (express or implied) from the Moreton business to the partnership. According to *Wadlow on The Law of Passing Off* 6th ed at 3-311:

"If the commercial purpose of an agreement is to license the use of a distinctive name or mark in respect of which the licensor has (or is agreed to have) goodwill, to a licensee who has (or is agreed to have) no such goodwill, and in circumstances where the licensee's use would otherwise be actionable as passing-off, then in the absence of agreement to the contrary or other supervening factors, the goodwill in the business so carried on by the licensee under the licensed name or mark will accrue to the licensor rather than the licensee. The licence may be express or implied, provided always that it does

not offend against the prohibition on transactions in gross. The licensee acquires no interest in the licensed name or mark and must cease using it on termination of the licence. ... It is irrelevant whether the goodwill in the licensed business would otherwise have accrued to the licensee, the licensor, or both. It is the parties' contractual agreement, and not some extrinsic legal fiction or equitable doctrine, which operates to vest the goodwill in the licensor, unless otherwise agreed, because no other outcome is consistent with the ordinary licensor-licensee relationship.” (emphasis added)

44. Alternatively, the Claimant accepted that the Agreement could (theoretically) have been an assignment, or it could have severed the goodwill geographically (as in *Dent v Turpin* (1861) 2 J & H 139). According to *Wadlow* at 3-403, an assignment of goodwill need not be in writing and “a transaction intended to assign a business as a whole necessarily passes the goodwill to the assignee.” But the Claimant maintained that implying an assignment which divided up the goodwill between the parties would have been just a legal fiction.
45. Had it not been for the Partnership Agreement, given James Hayman-Joyce’s pre-existing goodwill in the name, the arrangement between the parties might well have amounted to no more than an implied licence for the Broadway business to use the name, with all goodwill continuing to vest in James Hayman-Joyce, rather as in *Dawnay Day & Co Ltd v Cantor Fitzgerald International* [2000] RPC 669, where the licence was conferred upon a new joint venture company. Such a licence could have been terminated on reasonable notice, after which the partnership would have had to change its trading name (as in *Quantum Advisory Ltd v Quantum Actuarial LLP* [2023] EWHC 47 (Ch).)
46. Construing the Agreement as a whole, and taking into account Clause 10 as well as the dissolution provisions, and in particular the significant differences between Clause 20 (d) and Clause 25, in my judgment it certainly did not grant an express licence. In my judgment, the Partnership Agreement also displaces any possibility of an implied licence, taking into account the test for implying terms summarised by Carr LJ in *Yoo Design Services Ltd v Iliv Realty Pte Ltd* [2021] EWCA Civ 560 at [51]. Its terms are incompatible with there being an implied licence. Had there been such a licence, James Hayman-Joyce could have determined the partnership’s right to use the name at any time, on giving reasonable notice, but nothing in the Agreement suggests he had such a right, which I am satisfied would have been incompatible with the express terms of Clause 20. In all of the circumstances governed by Clause 20, the right to use the name was a business asset which would be acquired and used even after dissolution by a continuing partner. The only potential requirement to cease use of the name is seen in Clause 25, which excluded a continuing right to use the partnership name only following dissolution in essentially unforeseen circumstances. Moreover that provision appears to have been inserted for the benefit of all of the partners, not just James Hayman-Joyce.
47. I am satisfied that Clauses 20 and 25 could not have been drafted as they were had the parties contemplated that once James Hayman-Joyce retired from the partnership or died, the partnership’s right to use the name would or might cease. Had he retained a right to give notice to the partnership to cease using the name, that should have been

set out in the Agreement, to counter the combined effect of the clauses I have identified above. In my judgment, the natural reading of the Agreement is that the Hayman-Joyce name was an asset of the partnership, not an implied terminable licence dependant upon Mr Hayman-Joyce's continuing licence or continuing interest in the partnership.

48. I am reinforced in that view by the Claimant's submissions as to what it claimed would have been the terms of that implied licence. The suggested terms seem to me to reflect the specific complaints which the Claimant raised in its letter of 25 January 2021, rather than terms which the parties would, if the question had been raised with them in 1999, have agreed were a necessary part of the Agreement.
49. In my judgment, although the partnership took over the part of James Hayman-Joyce's business which related to the Broadway area (subject to the point about residential sales which I discuss below), it is also hard to accept the Defendants' case that it was an implied term of the Agreement that his existing goodwill in that area was assigned to the partnership, applying the usual test for an implied term mentioned above, even if an implied assignment might reflect s. 20(1) of the 1890 Act, where assets brought into use in the partnership become partnership assets. Mr Noorani's recollection was that the partnership was simply a new business, with no transfer of goodwill from James Hayman-Joyce. In all the circumstances, I find that it was not necessary to imply an assignment of the pre-existing goodwill to give business efficacy to the Agreement, as long as James Hayman-Joyce could not rely on his prior rights so as to object to the use of the name, which plainly he could not have done, given Clause 4 of the Agreement. Moreover, Clause 28 of the Agreement contained exclusivity provisions which prevented James Hayman-Joyce from further exploiting his goodwill in the Broadway Patch during the partnership term.
50. In my view, the agreement was essentially that the partnership might use the name and build up its own goodwill in it, and in all the circumstances it seems to me that it is more realistic to view the Agreement as reflecting a severance of James Hayman-Joyce's wider goodwill, on the basis that thenceforth his interest in any goodwill pertaining to the Broadway business would be as a partner in the partnership with Mr Comber governed by the Agreement. Alternatively, the Agreement reflected the abandonment or the suspension by James Hayman-Joyce of his goodwill as a sole trader pertaining to the Broadway area. That was certainly an unusual position, as the Claimant submitted, given that the two separate businesses operated as if they were branches of the same business. The Moreton business continued to trade close by the Broadway business in its own exclusive Patch, and around both Patches in No Man's Land, and continued to offer commercial services in the Broadway Patch, despite the exclusivity terms of the Agreement. If the parties had anticipated the kind of breakdown in relations which has led to these proceedings, doubtless they would never have agreed to such a situation, but at the time of drawing up the Agreement and indeed for many years afterwards, this odd arrangement appears to have worked perfectly well. Whichever is the correct analysis, in my judgment the Agreement makes it clear that goodwill generated by use of the name after commencement of the partnership would have enured to the benefit of the partnership.
51. Moreover, in my view subsequent events suggest that the parties accepted that the goodwill generated by the partnership belonged to it outright, rather than to the Moreton business as its licensor.

52. First, the manner in which the partners dealt with goodwill after the incorporation of the First Defendant in 2010 supports the view that the goodwill of the Broadway business belonged to the partnership. Their accountant, Mr Noorani, gave evidence that as James Hayman Joyce's service company was to be a partner in both of the LLPs incorporated in June 2010, he arranged for the transfer of goodwill from James Hayman Joyce to his service company, which included (separately) his share of the Broadway partnership and the whole of the Moreton business. Similarly, Mr Noorani said that he had liaised with Mr Comber's accountants to reflect a transfer of goodwill from Mr Comber to his service company. He stated that those transfers of goodwill were reflected in the first accounts of the two service companies, albeit in 2013 the goodwill had to be transferred to the LLPs following an inquiry by HMRC. Mr Noorani's evidence was that the goodwill transferred in 2010 would have included a number of intangible assets, not solely the IP rights, but he did not suggest that the value of any IP rights would have been excluded from the overall figures for goodwill. All in all, I am satisfied that the goodwill figures would at least have included goodwill attributed to the use of the Hayman-Joyce name. In those circumstances, it seems to me that there was intended to be an assignment of the partnership's goodwill in the name to the partners in the new LLP. That would have made no sense, in my view, had the goodwill all belonged to James Hayman-Joyce (or the new Moreton LLP). The further transfer to the First Defendant reinforces that view.
53. Secondly, the question of the goodwill of the Broadway business was discussed by James Hayman-Joyce and Mr Comber during the course of negotiations in 2012 for a new partnership deed to regulate the affairs of the Broadway LLP. In an e-mail of 31 January 2012, James Hayman Joyce commented on discussions he had held with Mr Comber the previous day. He recorded Mr Comber's view as "You would like the 'death' provisions of the old partnership copied into the LLP to the effect that if I were to die you would be able to buy out my [shares] ... I understand you to mean that you want the two businesses to continue to trade as they do now so far as the outside world is concerned, yet they would have no legal or financial connection." He then described what would happen should he pre-decease Mr Comber, and the latter became the sole owner of the Broadway business: "You and Tom ... might reach an agreement to co-operate in marketing etc ... but equally you might not. In the latter case it would be a commercial and legal nightmare have two competing businesses trading under the same name so I will ask that a clause is inserted in the LLP agreement requiring that you change the name of your business on the date of any dissolution." Mr Comber responded on 20 February 2012, disagreeing with the suggestion: "Nothing in the current partnership says that I would need to change the name of what would then be my business."
54. Both sides contended that this exchange supported their case. The Claimant suggested that it showed James Hayman-Joyce thought he had retained the power to control use of the name. The Defendants submitted that it showed that James Hayman-Joyce acknowledged at that time that, in the absence of a new clause requiring the Broadway business to change its name after his death, it would be able to continue to trade under the Hayman-Joyce name. Moreover, had there been an existing licence, the "nightmare" scenario would not have arisen, and no new term would have been needed. I prefer the Defendants' analysis. In my view, it was clear that James Hayman-Joyce wanted to agree a new term to govern the position. Mr Comber's comment in my view reflected

Clause 20 of the Partnership Agreement, although, of course, the partners had not expressly agreed that any of the terms of that Agreement would govern their relationship, still less the relationship between the Moreton and Broadway LLPs.

55. In November 2018, when the Claimant had applied for the trade mark, Mr Comber's solicitors sent out a proposal for terms of co-existence on behalf of the First Defendant, and various comments were made upon them (whether by Thomas Hayman-Joyce or his solicitors) for the Claimant. A separate set of comments was inserted by James Hayman-Joyce himself, mainly supporting the Claimant's position and showing some reluctance to expand the co-existence agreement beyond the terms of the Partnership Agreement. Many of the proposed terms go to the areas in which each LLP would operate. The last item in the list is of significance. The comment for the First Defendant read simply, "Joint ownership of trade mark registration." Against this, the Claimant's comment was:

"Acknowledgment that goodwill in business is owned according to different business elements and location. [Claimant] owns all goodwill in the HJ brand that exists in residential lettings, commercial sales, commercial lettings, professional and RICS valuation work regardless of the geographical area and in residential sales outside the Broadway area. [First Defendant] owns goodwill in residential sales within the Broadway area.

Joint ownership of trade mark registration is incredibly complex and is liable to lead to a stale mate ...

Rather, we propose it is in both parties' interests for [Claimant] to be the custodian of the brand and the named owner of the registration ... acting in the interests of both parties.

We applied on 5 November for a trade mark application for HAYMAN-JOYCE and HAYMAN JOYCE ... to be held in the name of [Claimant]." (emphasis added)

I do not know whether these comments were drafted by the Claimant or its solicitors, but they do appear to emanate from them directly, given the references to "we."

56. James Hayman-Joyce commented on this point in a covering email to Mr Comber dated 30 November 2018, in which he suggested that the trade mark discussion did not impinge on the terms of the co-existence agreement, "as long as that contains a licence for us to use the brand." As that email was sent only to Mr Comber, "us" in that context must have meant the First Defendant.
57. It seems to me that despite James Hayman-Joyce's references to a licence for use of the name, the Claimant's comment on the First Defendant's proposal for joint ownership of the mark expressly acknowledged the ownership of goodwill by the First Defendant, at least for residential sales within the Broadway area. The comment was not, on its face, predicated on the basis that the prevailing position was that the Claimant owned all of the goodwill and the First Defendant had no more than a licence to use the name. On the contrary. Again, this appears to me to be consistent with the effect of the Partnership Agreement after 1998, and the position following the incorporation of the First Defendant in 2010, being that the goodwill generated by the Broadway business accrued to them, not to the Claimant or its predecessors in title to the Moreton business.

58. The Claimant submitted that the existence of a licence was shown by the control which it claimed it had exercised over use of the Hayman-Joyce name. It pointed to a range of activities: the Moreton office's control of the domain name used for both businesses, the fact that it undertook responsibility for dealing with various contracts, the website and social media, and the drafting of brand guidelines by Thomas Hayman-Joyce in around 2017. Many of these appear to me to have nothing to do with the status of the Defendants' use of the Hayman-Joyce name, but reflect the long-standing practical co-operation between the businesses. In addition, in some if not all cases, the Broadway business paid half of such costs. More to the point, nothing in the evidence in my view points to unilateral control by the Claimant or its predecessors over the brand or the get up associated with it. Nothing in these activities proves, in my view, that the Claimant or its predecessors had control of the name as its licensor.
59. In all of the circumstances, I find that in 1999 when the Partnership Agreement was drafted the understanding was that the partnership would own the goodwill which would be generated by use of the Hayman-Joyce name in the partnership business, and that goodwill passed to the partners in the First Defendant in 2010, and to the First Defendant itself in 2013. Goodwill accrued since 2010 equally belongs to the First Defendant.
60. That leads me to the question of the scope of the First Defendant's goodwill, in terms of the nature of the services and the geographical area to which such goodwill extends. The Claimant admitted only that any such goodwill covered residential sales services in the Broadway Patch. It said that any commercial sales or lettings, whether in that area or further afield, had always been done by the Claimant or its predecessors. Whilst it was accepted by the Claimant that the parties' joint advertising appeared to offer the full range of services from both offices, both Thomas Hayman-Joyce and Mr Yarnold's evidence was that all commercial leads were passed from the Broadway office to the Moreton business. James Hayman-Joyce made the same claim in December 2014, when a dispute had arisen between the two businesses about the fees for commercial work - a long-standing bone of contention. He said that in all but one case up to that date the full fees for commercial work in the Broadway Patch had been passed on to the Moreton business. One point reiterated by the Claimant was that Mr Comber is not a qualified surveyor, and so could not carry out 'red book' valuations, so that these were (or should have been) done by James Hayman-Joyce. In addition, the Claimant did not admit that the numbers of residential sales by the Defendants in No Man's Land sufficed to establish goodwill outside the Broadway Patch.
61. Mr Comber accepted that the primary focus of the Broadway business had always been on offering residential sales, and he also accepted that despite the exclusivity terms of the Partnership Agreement he had always allowed the Moreton business to provide residential lettings and commercial sales and lettings services in the Broadway Patch. However, Mr Comber claimed that not all commercial work had been passed to Moreton, but at times the Defendants' business had also offered commercial services. He provided evidence of a handful of such transactions, several of which, he accepted in cross-examination, were actually dealt with by the Winchcome office and so cannot, in my view, be attributed to the First Defendant.
62. The Broadway Patch extends to about a 9 mile radius from the office. As to residential sales outside the Patch, Mr Comber's evidence was that about 10% of the Broadway

office's business was for residential properties in No Man's Land, almost all of them being within 10 miles of the Broadway office. His second witness statement showed only 26 sales of properties situated more than 10 miles from the office, and all were within 20 miles of it.

63. I bear in mind the point I made above, that the goodwill of an estate agency business is unlikely to be strictly delimited by reference to the area(s) in which properties it has dealt with are situated. Its goodwill is liable to extend further than that, to areas where the business's reputation for offering such services extends, and may have the all-important effect of bringing in custom for the business. Attributing any geographical limit to such goodwill is in my view necessarily a somewhat artificial process. I also bear in mind that for many years advertising on behalf of the parties, and their website, did not distinguish between the areas covered by the offices. Balancing these factors, I find that as at November 2020, the First Defendant's goodwill extended beyond the Broadway Patch in relation to residential sales in No Man's Land in a 20 mile radius from the Broadway office, but (as was common ground) that goodwill did not extend into the Moreton Patch.
64. I have found it more difficult to assess whether First Defendant's goodwill also extended to commercial estate agency services, and I note that the Defence limited its claim to such goodwill only in the Broadway Patch. On the one hand, it seems that the parties' advertising will have given the impression that the Broadway office offered commercial services, by not distinguishing between the offerings of each "branch." On the other hand, in almost every case, and especially where valuations were provided, such services were actually supplied by James Hayman-Joyce or the Moreton office, with fees going to the Moreton office, so that the commercial side of the business was that of the Moreton office, not the First Defendant. I think it was common ground at the close of the evidence that only 4 commercial properties had been offered for sale by the Broadway office, and there were no commercial lettings or other commercial services.
65. It is of course possible to establish goodwill on the basis of trading on a small scale, so long as it is more than trivial. For example, see *Stannard v Reay* [1967] FSR 140. In *Knight v. Beyond Properties Pty Ltd & Ors* [2007] EWHC 1251 (Ch) (24 May 2007) David Richards J said:
- "A reputation on a relatively small scale will still attract the protection of a claim in passing off, but at some point the reputation may exist among such a small group of people that it will not do so. The minimum size of goodwill required for this purpose is a matter of fact and degree. A claim in passing off cannot be sustained to protect goodwill which any reasonable person would consider to be trivial: *Sutherland v V2 Music Ltd* [2002] EMLR 568 at para 22 per Laddie J".
- Having carefully considered the evidence before me, I find, on balance, that the First Defendant has not shown that it had any more than a trivial level of goodwill extending to commercial estate agency services. Its goodwill in relation to such services, as at November 2020, was not at a level which would have sustained a passing off action.
66. My analysis of the legal position leads, unfortunately, to a situation which is commercially artificial. The Claimant and the First Defendant have some areas of exclusivity, and others in which they both own goodwill. They have exclusivity of goodwill for residential sales services in their own Patches, even though the Patches are

so close together that it seems to me that offering services for sales in one Patch would in a normal case lead to building up goodwill in part or all of the other Patch. This is underlined by my finding that both sides have goodwill for such services in No Man's Land, especially as No Man's Land includes a narrow strip of land between the Patches, as well as the surrounding areas. In addition, the Claimant has goodwill for residential lettings and commercial sales and lettings services in an area which includes the Broadway Patch. However, I am satisfied that this unusual position arises from the history of the parties' dealings with each other, and the trade which each has undertaken since 1998.

Passing off

67. The next issue is whether the Defendants' use of the Hayman-Joyce name, alone or in conjunction with the get up used by both businesses prior to January 2021, constitutes a misrepresentation.
68. The Claimant complained of a raft of acts by the Defendants. In addition to an objection to use of the Hayman-Joyce name (and its long-standing red get up) generally in relation to its business and premises, it complained *inter alia* that:
- a. The First Defendant started to use the name HAYMAN-JOYCE BROADWAY on its website and on sites like Zoopla, sometimes using get up similar to the original get up, but with Broadway beneath the name, and sometimes with a new logo, using the old red colour and typeface, in a circle with Broadway written around it.
 - b. The First Defendant registered various Hayman-Joyce domain names, including www.haymanjoycebroadway.co.uk, www.haymanjoyceonline.co.uk, and www.haymanjoyceproperty.co.uk, and pages with similar permutations of the name on additional social media platforms, such as Instagram and Facebook;
 - c. Up to 10 December 2021, the First Defendant's website advertised its business as selling houses in a 20 mile radius of Broadway, and thereafter referred to covering sales in Broadway and 60 surrounding villages, in each case without excluding the Moreton Patch;
 - d. Also up to 10 December 2021, two testimonials by the Claimant's customers appeared on the First Defendant's website – these were taken down as soon as the Claimant complained about them; and
 - e. In November 2020, the First Defendant distributed flyers advertising its services in the Moreton Patch.
69. It follows from the findings I have made as to the parties' shared (or overlapping) ownership of goodwill in the Hayman-Joyce name, that the name may identify either the Claimant or the First Defendant or in some cases both of them (see by analogy *Sir Robert McAlpine v Alfred McAlpine* [2004] RPC 36). The First Defendant's ownership of goodwill in the name Hayman-Joyce, means that it is entitled to use the name Hayman-Joyce Broadway in the area and for the services for which I have found it to have such goodwill.
70. The First Defendant's continuing use of that name in the areas in which it has goodwill (including those where the Claimant also has goodwill) in the manner in which it has historically been used by the First Defendant would not amount to a misrepresentation. Acting in this way would not amount to passing off, whether this is due to an "honest concurrent use" defence (as discussed in e.g. *W. S. Foster & Son Ltd v Brooks Brothers*

UK Ltd (supra) at [56]-[60]) or simply reflects the parties' joint or perhaps more accurately shared ownership of the goodwill. I do not think that the Claimant contended otherwise.

71. However, the Claimant said that the acts of which it complained listed in subparagraphs 68(a) to (e) above constituted a new departure, materially different to the past use, and led to misrepresentation and to passing off, as in the *McAlpine* case, where the Defendant had dropped the distinguishing "Alfred" from its name and style. There Mann J said at [49]:

"Just as the sole owner's rights should not be reduced, blurred or diminished, nor should a joint owner's, whether at the hands of the other joint owner or a third party. Neither owner has higher rights in the name and reputation than the other. But it seems to me to follow from that that neither is entitled to start to elbow the other aside by using it to describe its own business in a way which suggests the exclusion of the other. This is not to invent the tort of misappropriation of goodwill, which I have disclaimed above. It is to recognise that the shared rights to goodwill can be damaged by the co-owner arrogating to himself the use of the name in circumstances where that amounts to a misrepresentation and a partial ouster of the claimant...."

72. First, it seems to me that there is no reason why the First Defendant should not use the name Hayman-Joyce Broadway. This is a material change, but is not in my view not a partial ouster of the Claimant, nor will it affect its rights. It is no more likely to lead to a misrepresentation, in the areas and for the services for which the First Defendant has goodwill, than using just Hayman-Joyce. If anything, it seems to me likely to help avoid confusion. Secondly, in my view, for the same reason the First Defendant was entitled to register the new domain names listed above, and to set up new social media accounts, using either the name Hayman-Joyce or Hayman-Joyce Broadway, and whether or not coupled with descriptive terms such as 'property.' These matters all seem to me to fall within the proper scope of honest concurrent use of the First Defendant's own goodwill.
73. On the other hand, I consider that it was a misrepresentation for the First Defendant to have advertised its business on its website as selling houses in a 20 mile radius of Broadway, as that would clearly have purported to include the Moreton Patch, and was not justified as honest concurrent use of the First Defendant's own goodwill. My view is not affected by the latest Court of Appeal decision on honest concurrent use, delivered last week after circulation of the draft of this judgment: *Match Group, Llc and others v Muzmatch Limited and another* [2023] EWCA Civ 454 on 27 April 2023 at [62]-[112], especially [91]. Whether any damage flowed from that misrepresentation is unclear; I do not know whether properties within the Moreton Patch were offered for sale by the First Defendant, although the Defence would seem to suggest not. By contrast, subsequently the website was changed to refer to "sales in Broadway and 60 surrounding villages." The Defendant said that its website identified the areas in which it trades, which did not include the Moreton Patch. Assuming that the site was not actually offering properties in the Moreton Patch, and I was not shown evidence that it did so, it seems to me that the First Defendant was doing no more than reflecting the inclusion of No Man's Land in the area covered by its goodwill. This was not a misrepresentation.

74. I also accept that it would have been a misrepresentation for the First Defendant to use testimonials relating to the Claimant's business as if they related to its business, and to have distributed flyers in the Moreton Patch. If either of these acts led to any actual confusion, they would have led to damage and hence to passing off. Whether any damage was actually suffered has not been established. All such acts have ceased.
75. If I am wrong in my findings on shared goodwill, then for the sake of completeness I should record that in my view the use by the Defendant of the name Hayman-Joyce Broadway and the domain names etc listed above would constitute a misrepresentation that the business is connected with the Claimant and would lead to confusion, and damage, such that a passing off claim would be made out.

Validity and infringement of the trade mark

76. The Claimant claimed infringement of its trade mark, whilst the Defendants challenged the validity of the mark, relying on the First Defendant's goodwill, and also claimed that the mark was applied for in bad faith. This reflected the points run unsuccessfully by Mr Comber in the trade mark opposition.
77. It is logical to start with the validity issues. The Defendants pleaded that as a result of the First Defendant's goodwill in the Hayman-Joyce name as at the date of the trade mark application on 5 November 2018 the Claimant was not entitled to register its mark without the First Defendant's consent. They counterclaimed that the registration was liable to be declared invalid, at least for some of the specification, pursuant to s 47(2)(b) of the 1994 Act, on the basis that as at the date of the application, the First Defendant's goodwill would have entitled it to bring passing off proceedings against the Claimant. The relevant statutory provisions are:
- Section 47(2)(b):
“(2) The registration of a trade mark may be declared invalid on the ground—
...
(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,
unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.”
- Section 5(4)(a):
“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
...
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.”
78. In *Caspian Pizza Ltd v Shah* [2018] F.S.R. 12, Patten LJ held at [14] that prior use for s 5(4)(a) includes use which had generated goodwill in a particular locality. The Court of Appeal upheld the decision of HHJ Hacon below, in which he held that the existence of the Defendant's goodwill in the Worcester area was sufficient to prevent the registration of the Claimant's word mark. He cited the earlier decision in *Sworders*:

“18 In *SWORDERS Trade Mark* dated 28 July 2006 (O-212-06), a decision of the hearing officer (Mr Allan James) in opposition proceedings, a challenge was successfully made to the registration of the *SWORDERS* mark in relation to real estate agency (Class 36) and land surveying (Class 42) services by another firm (originally part of the same firm as the applicant for registration) which had carried on and acquired goodwill in the same name in relation to the provision of similar services in the area of Bishop’s Stortford in Hertfordshire. The hearing officer found that the opponent’s use of the mark had generated sufficient goodwill in the locality to enable it to restrain any other use of the name for the same services and that the application to register a national mark was the equivalent of a notional expansion of the applicant’s business into the opponent’s area. Absent an agreement by the applicant under s.13(1)(b) TMA 1994 for a geographical limitation on the registered mark so as to exclude the Bishop’s Stortford area, registration of the mark was refused.”

Having considered the decision to the opposite effect in *Redd Solicitors LLP v Red Legal Ltd* [2012] EWPC 54; [2013] E.T.M.R. 13, Patten LJ went on:

“23 It is, I think, implicit in these provisions that opposition under s.5(4) based on earlier use of the mark does not have to be use throughout the UK or alternatively in a geographical area which overlaps with the place where the applicant for registration actually carries on business using the same or a similar mark. As the Hearing Officer explained in *SWORDERS*, the application for a national mark operates as a notional extension of the use of the mark over the whole of the country. The only requirement is that the opponent should have established goodwill in the mark over an identifiable geographical area that would qualify for protection in passing off proceedings. Reputation may be enjoyed on such a small scale that it does not generate goodwill at all: see *Knight v Beyond Properties Pty Ltd* [2007] EWHC 1251 (Ch); [2007] F.S.R. 34. But goodwill which is established in a particular locality will be capable of preventing registration of a countrywide mark.”

79. In the light of my findings as to the First Defendant’s goodwill, it follows that it would have been entitled to prevent the registration of the Claimant’s trade mark. Section 5(4)(a) would have applied. The application to register a mark which was geographically unlimited and covered residential sales services was the equivalent of a notional expansion into the First Defendant’s area of goodwill. However, as the Defendants acknowledged, the mark should be declared invalid only in relation to any services in the specification which are close enough to those for which the First Defendant has goodwill for there to have been a potential objection by the First Defendant on the basis of s 5(4)(a). In both the Counterclaim and counsel’s closing submissions, the claim to invalidity was made in general terms in relation to the trade mark, and was not limited to the Class 36 services. However, the Defendants’ skeleton argument addressed only the Class 36 services, on various alternative bases, none of which matches the conclusions I have reached above. It seems to me that offering auctioneering services is a normal adjunct to residential estate agency services, such that use of the name in relation to such services by a third party would have amounted to a misrepresentation and have been actionable as passing off. The inclusion of those services in the Claimant’s specification was therefore a notional expansion into the First Defendant’s area of goodwill. I conclude that the claim for invalidity succeeds for the whole of the Claimant’s specification, and I will make an order invalidating the mark.

80. The First Defendant also claimed that the Claimant's trade mark application was made in bad faith. The Claimant was said to have registered it with the intention to use it to undermine, in a manner inconsistent with honest practices, the First Defendant's rights and interests in the mark. In case I am wrong on the conclusion I have reached based on s 47, I will deal with the bad faith allegation. There was no dispute between the parties as to the basis of a claim to bad faith. I bear in mind, in particular, the presumption that an application is made in good faith unless the contrary is proved, and the need to make an overall assessment of the facts in order to decide whether the Claimant acted in bad faith (Case C-104/18 *Koton Magazacilik Textil Sanayi ve Ticaret AS v EUIPO* EU:C:2019:724, paragraph [47]). Even where there are objective indicia pointing towards bad faith, the application may have been made in pursuit of a legitimate objective. Thomas Hayman-Joyce's evidence was that at the time of making the application, he thought that Mr Comber had expressed willingness to take a licence from the Claimant, and there was no suggestion that the Claimant then intended to stop the First Defendant from using the mark. Mr Comber's request for joint ownership was made after the date of the trade mark application. I do not consider that making the application in those circumstances was contrary to honest practices and I am satisfied that the Claimant did not act in bad faith in making the application.
81. Again, in case I am wrong on the conclusions I have reached about the validity of the registration, I move on to consider the question of whether there would have been infringement of the trade mark, if valid. There has plainly been use of a sign identical to the trade mark, as well as of similar signs in the various permutations discussed above, in relation to services which are in part identical to the services for which it was registered and in part similar to them. There could, therefore, have been infringement pursuant to sub-section 10(1) or (2) of the 1994 Act, assuming in the latter case that the use of those signs would lead to a likelihood of confusion.
82. However, the Defendants relied upon estoppel and sub-section 11(3) of the Act. As I understand their case, they did not rely upon honest concurrent use as a defence to trade mark infringement, although it had been raised as an issue in the passing off claim. They did not pursue the estoppel argument, but did rely on s 11(3), which provides:
- “A registered trade mark is not infringed by the use in the course of trade in a particular locality of an earlier right which applies only in that locality. For this purpose an ‘*earlier right*’ means an unregistered trade mark or other sign continuously used in relation to goods or services by a person or a predecessor in title of his from a date prior to whichever is the earlier of—
- (a) the use of the first-mentioned trade mark in relation to those goods or services by the proprietor or a predecessor in title of his, or
 - (b) the registration of the first-mentioned trade mark in respect of those goods or services in the name of the proprietor or a predecessor in title of his;
- and an earlier right shall be regarded as applying in a locality if, or to the extent that, its use in that locality is protected by virtue of any rule of law (in particular, the law of passing off).”
83. The Claimant said that the s 11(3) defence could not apply, because the First Defendant and the partnership before it had not used the name continuously in relation to its services from a date prior to the Claimant or its predecessors' use of the trade mark in relation to those services. It is correct that the partnership did not make use of the name

prior to James Hayman-Joyce's first use of it, but in the light of my conclusion about the abandonment or severance of James Hayman-Joyce's earlier goodwill in the Broadway Patch, it does not seem to me that the Claimant can claim that its use in the Broadway Patch pre-dated that of the partnership. I consider that the requirements of s 11(3) would (if needed) be met, to the extent that the First Defendant has goodwill (as I have found above) and has been trading in the Broadway Patch. To that extent, I would have dismissed the claim to trade mark infringement. On the other hand, the Claimant was the senior user of the name in areas outside the Broadway Patch as to which there was never any abandonment etc of James Hayman-Joyce's goodwill. The s 11(3) defence would therefore not have applied in relation to any trade mark infringements by the Defendants beyond the Broadway Patch.

84. There is one further point on infringement. If I am wrong in rejecting the alleged implied licence to use the name, such that the First Defendant had no rights of its own, then that licence would, in my judgment, have included an implied term requiring the licensor to give reasonable notice of its intention to determine it. Setting a deadline of 31 January in the Claimant's letter of 25 January 2021 was patently not a sufficient period of notice, and in my judgment the minimum period of notice would have been the period needed to rebrand. In the same letter the Claimant indicated that it would allow 3 months to rebrand. The Defendants did not suggest that a longer period would have been needed. On that basis there would have been no infringement prior to 26 April 2021. From that date, the First Defendant would have infringed the trade mark by its continuing use of the Hayman-Joyce name.

Infringement of copyright

85. In addition to the claims for trade mark infringement and passing off, the Claimant claimed that the Defendants had infringed its copyright. Happily, little time at trial was taken up with this rather insignificant claim. The Claimant said that 6 articles written by employees or for the Claimant, which were protected by copyright as original literary works. Ownership of the copyright was claimed either because the authors were employees or through an assignment. The Articles dated from February and March 2021 and were: (1) Letting Market Update, (2) Hayman-Joyce encourage homebuyers in the Cotswolds to make the most of the extended stamp duty holiday, (3) Budget and Cotswold property market update, (4) How to prepare your beloved home for sale, (5) Sales Market Update 2021, (6) Hayman-Joyce encourages kids to 'Get colouring' for their annual easter art competition. For the most part these were articles of temporary interest. The Claimant complained of infringement of those copyrights by the First Defendant having uploaded those articles on to its website, and provided print-outs of the First Defendant's website from November 2021 showing the articles. The complaint about the alleged infringement of copyright was not made, so far as I can discern, until 10 December 2021, and Mr Comber said that the Articles were immediately taken down from the Website.
86. The Defence simply denied that the Defendants needed the Claimant's permission to reproduce the Articles, and no real issue was taken with authorship of the Articles or subsistence of copyright, though as to ownership, one of the assignments relied upon, from Ruby Edwards, was only made on 7 December 2021 and contained no assignment of existing rights of action. Mr Comber's evidence was that the Articles were created for use on the website jointly used for both businesses, so that the First Defendant was entitled to use them on its website. Whilst the Defendants' counsel suggested that this

meant that the First Defendant was a joint equitable owner of the copyrights, it seems to me that it would have needed no more than a licence to reproduce them, and there are no grounds on which I should make a finding of joint ownership (especially in light of the absence of this point in the Defence & Counterclaim). In my judgment, however, the copyright licence was not determined until a complaint was made about the continued use of the Articles by a solicitors' letter of 10 December 2021. As the Articles were taken down on the same day, there will have been no infringing use.

Joint tortfeasorship

87. Lastly, there is the issue of the alleged joint tortfeasorship of Mr Comber. He was alleged to be the controlling mind of the First Defendant, and to have authorised or procured all of the acts by the First Defendant complained of in the proceedings. This was admitted from the time that James Hayman-Joyce left the business, in February 2022, but denied for the time when he remained a partner in the LLP.
88. The relevant principles were not in dispute, see e.g. *Sea Shepherd UK v Fish & Fish Ltd* [2015] UKSC 10.
89. In my view, taking into account the evidence before me, the Claimant is right to say that the First Defendant is and has been controlled by Mr Comber and the acts of which the Claimant complains were authorised or procured by him. Many of the documents to which I was taken show him controlling the First Defendant's business for a considerable period before James Hayman-Joyce left the LLP. Indeed, by late 2020 James Hayman-Joyce was complaining that Mr Comber was not consulting him. On any basis, it seems clear to me that Mr Comber is jointly liable with the First Defendant for any acts of passing off, or trade mark or copyright infringement.

Conclusion

90. My conclusions are therefore:
 - a. The claim to passing off fails, save in relation to the matters described at paragraphs 73-4 above;
 - b. The counterclaim to invalidate the trade mark succeeds, and the claim to trade mark infringement therefore falls away;
 - c. The claim for copyright infringement fails; and
 - d. The Second Defendant is jointly liable with the First Defendant.
91. This judgment will be handed down remotely, and I will hear argument about the form of Order (if it is not possible for the parties to agree it) at a date to be fixed.

Annex A

List of Issues

Passing Off

1. Whether by and as at November 2020, the C owned goodwill in any estate agency business under and/or by reference to the signs Hayman-Joyce and/or Hayman Joyce when used alone or in conjunction with the HJ Get-Up or each element thereof other than in the Moreton-in-Marsh area as defined in the Partnership Agreement. If so, what was the nature and geographic scope of that goodwill.
2. Whether by and as at November 2020, D1 owned goodwill in any estate agency business under and/or by reference to the signs Hayman-Joyce and/or Hayman Joyce in November 2020. If so, what was the nature and geographic scope of that goodwill.
3. Whether D1 used the HAYMAN-JOYCE Mark under an implied licence from the C and/or its predecessors in title. If so,
 - a. What were the terms of said licence.
 - b. Did D1 act in breach of those terms in the manner alleged in paragraph 27 of the PoC.
 - c. When was the licence terminated.
4. Whether the Ds' use of the Signs (as defined in paragraph 32 of the PoC) or each of them either alone or in conjunction with the HJB Get-Up or elements thereof in the manner complained of in paragraph 29 of the PoC constitutes a misrepresentation.
5. If so, whether such misrepresentation has caused or is likely to cause the C damage.
6. Whether the Ds' use of the Signs either alone or in conjunction with the HJB Get-Up was in accordance with honest commercial practices. If so, whether this constitutes a defence to passing off.
7. Whether the C is estopped from pursuing its claim in passing off against the Ds.

Trade Mark infringement – sections 10(1) and 10(2)

The Ds admit that D1 has used the Signs in the course of trade in relation to services identical to those for which the HAYMAN-JOYCE Mark is registered. However, the Ds contest the validity of the HAYMAN-JOYCE Mark and argue in the alternative that they have a defence to the Claims brought. These issues are dealt with below.

8. Whether the Ds have a defence to the infringement claims by reason of s.11(3) of the Trade Marks Act 1994.
9. Whether the C is estopped from pursuing its claim for trade mark infringement against the Ds.

Copyright

10. Whether copyright subsists in the Articles, if so, whether the C owns any such copyright.
11. Whether the Ds have infringed any copyright subsisting in the Articles.

Joint tortfeasance

12. If D1 is found primarily liable for acts of infringement and/or passing off and/or copyright infringement, whether D2 has acted in common design with D1 in respect of those acts and he is liable as a joint tortfeasor.

Counterclaim

13. Whether D1 owned goodwill in any estate agency business under and/or by reference to the signs Hayman-Joyce and/or Hayman Joyce by and as at 05 November 2018. If so, what was the nature and geographic scope of such goodwill.

14. Whether the Claimant's trade mark was applied for with the intention to use it to undermine, in a manner inconsistent with honest practices, D1s rights and interests in the Mark. If so, whether it was applied for in bad faith.