

Journey's Trademark Squabble – Who's Crying Now?

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by Cathy Dahl



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When Journey was inducted into the Rock and Roll Hall of Fame in 2017, Steve Perry was ranked 76th on Rolling Stone's "100 Greatest Singers of All Time." Arguably, many Journey fans view the front man and his voice as the core identifier for the band and its most popular and commercially successful music.

After considerable success between 1978 and 1987, Perry left the band and the band took a hiatus until 1995. Perry agreed to reunite with the band under a new manager, and the band enjoyed the success of a new album. However, in 1998, Perry left the band permanently and the face of Journey was After All These Years, changed.

An Agreement between the parties in 1997, the so-called "Elmo Agreement," set forth the terms of profit sharing. The Agreement was amended in 1998 when Perry left the band,

and Neal Schon and Jonathan Cain, longtime guitarist and keyboardist for Journey (respectively), state that Perry still “receives a significant share of profits from the exploitation of the Journey song marks.”

Fast-forward to Fall 2020. Freedom NJ LLC, a company run by Schon and Cain and current members of the band, filed 20 new trademark applications for well-known song titles for merchandise, including such hits as *Don’t Stop Believin’*, *Who’s Crying Now?*, *Wheel in the Sky*, and *Any Way You Want It*. All of the applications matured to registration in early 2022. Notably, none of the applications were challenged by Perry when published for opposition purposes.

In September 2022, Perry filed a Petition to Cancel each of the 20 trademark registrations, alleging that the applications should not have been filed without his authorization. The 1997 Elmo Agreement states that “any use or exploitation, or grant or license of rights in or to any Group Composition(s), in whole or in part, including, without limitation, the titles thereof in connection with any product or otherwise, without the prior, written, unanimous consent of all of the Partners in each instance.” Perry, as a partner to the Agreement, was apparently not consulted about the applications.

The Elmo Agreement was amended in 1998, addressing Perry’s departure from Journey, but Perry asserts that the amendment did not change the unanimous consent requirements in the Agreement of 1997. Schon and Cain subsequently assigned their interests and rights in the songs subject to the Elmo Agreement in 2019 and 2020, respectively, but Perry has not transferred any of his rights and interests. Thus, Perry asserted that the registrant, Freedom NJ, is not the owner or the user of the trademarks registrations, because Perry never provided his consent to the use or registration of the titles as trademarks for merchandise.

Aside from asserting an ownership issue, Perry also alleged that the applications were fraudulent in making statements that the registrant had exclusive rights to the marks, that the marks were not in use, and that the song titles as trademarks falsely suggest a connection with Perry as the lead singer of the 20 songs.

In response to the Petition to Cancel, Freedom NJ filed its Answer in early December 2022 asserting affirmative defenses, including: (1) the marks have been in use since the 1970s and 1980s with no objection from Perry; (2) Perry has received proceeds resulting from the licensing of the registered trademarks; (3) cancellation of the registrations would lead to prejudice to both Perry and Freedom NJ; (4) Perry uses a company called Pear Co. to manage assets, and both Pear Co. and Perry are signatories of the Elmo Agreement, thus Perry should not be shielded from liability through Pear Co.; and (5) Perry’s substantial income from current Journey tours and albums is in jeopardy as a material breach of the Elmo Agreement through the filing of the Petition to Cancel the registrations. Additionally, Freedom NJ asserted the following defenses: laches (Perry was not diligent in pursuing these claims), acquiescence and waiver (Perry accepted the benefits of the Elmo Agreement), bad faith and unclean hands (Perry accepted the benefits of the Elmo Agreement and breached the agreement by filing the cancellation), and breach of contract (breach of Elmo Agreement terms).

On January 4, 2023, counsel for Perry withdrew the Petition to Cancel the 20 registrations, and because Freedom NJ had already filed its Answer and the withdrawal was without its consent, the Petition for Cancellation was denied with prejudice. This means that Perry cannot challenge these registrations in the future.

Why did the Petition seem to take the midnight train going anywhere but the finish line at the Trademark Trial and Appeal Board? At its crux, this TTAB filing did not ever seem to be about trademarks. Rather, it was about the terms of the Elmo Agreement between the parties. Perry appears to have gained nothing but expenses by filing the Petition to Cancel the 20 registrations, all while continuing to receive financial benefit from the licenses tied to the trademarks in the interim.

Did Freedom NJ welcome this outcome with Open Arms? Schon posted on Twitter a screenshot of the filing and said “So much for [Cain] trying to throw me under the bus as he claimed I was blatantly trying to rip off [Perry] while collecting the checks for the very diligent work my wife and I did to protect our merch.” Cain separately filed a lawsuit in November 2022 against Schon in California for “running up enormous personal charges on the band’s credit card account.” Perhaps Schon and Cain are also going Separate Ways. If the band members, both present and past, cannot Faithfully follow the terms of their Agreements, they surely cannot have it Any Way [They] Want it.

As the Wheel in the Sky keeps on turning, we will provide updates on further developments.