Passing Off: An Uncertain Remedy

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Fordham Intellectual Property Conference, Cambridge University, April 2015

Passing off as a weapon for the protection of intellectual property originated in England but has now penetrated to all the common law countries. Despite the close regulation of such vague concepts as trade descriptions by legislation in all those jurisdictions and despite trade mark protection being the primary remedy for firms who have branded their products, thereby achieving penetration and sustainability in the market-place, the tort subsists in a sweeper role, available to those who have achieved goodwill through hard work and expense and who do not wish to see it filched by avaricious competitors. As such, the tort is likely to persist. Its parameters are, however, uncertain. How is it different to trade mark protection; what are its elements; does it require proof of deception; how far into un-competing realms can it be pushed; why does it attract the equitable remedy of an account of profits, as the choice of a winning plaintiff instead of damages; and how is such an account to be approached? These are among the questions that can only be touched on in this paper. Certain answers are so far from the law of passing off in that a simple perusal of the case law will show that judicial decisions proliferate to a degree that belies the importance of the remedy: in other words, in all but the simplest cases there is always something to be argued about and invariably a point that will rack the judicial mind and, at the least, tempt the will to overrule on appeal.

History

Passing off was first recognised in England during the reign of Elizabeth I; *Southern v How* (1617) 79 ER 400. For hundreds of years it was regarded as a subspecies of the tort of deceit: requiring proof of an actual lie and an intention to injure. Scholars might see the development of the tort into the, quite amorphous, modern shape it has assumed as instructive of how growth occurs through judicial decision-making. The requirement for an intention to deceive was gradually dissolved from the definition of the tort through the interaction of separate courts of law and equity. Of course, if a competitor was decking up his goods to look like yours, whether by design (amounting to deceit) or by accident (denoting a lack of intention), the plaintiff was not to be comforted in losing the goodwill that he had acquired in the marketplace through such a fine distinction. Besides, as in criminal law if a defendant does not confess, the inference is the only weapon whereby deceit may be proved: something that is far from easy. Hence, if the remedy was to be damages in a court of law, the plaintiff was required to prove deceit; but if instead he resorted to a court of equity and sought an injunction to remove the goods from the marketplace or to alter their description or name, then fairness required that only a tendency to confound the purchaser was necessary. As early as 1838 it was decided that an injunction could restrain passing off irrespective of whether the competitor was shown through his actions to have intended to deceive the buying public into purchasing his goods as that of the plaintiff: *Millington v Fox* (1838) 40 ER 956. This cross-fertilisation of law and equity, still by that stage in separate courts though in Ireland and

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in England in the same building, led to a further peculiar result. The equitable nature of the remedy sought fused the tort of passing off into an amalgam akin to trusteeship actions: an account of profit or loss was available to the plaintiff once he proved that the buying public was likely to be deceived. Any other tort action entitles you to damages; passing off entitles you to choose between proving the damage which you have suffered, in consequence of what might be called the earliest species of unfair competition law, and taking all the profits which your competitor has garnered through decking up his goods to look like yours.

Ultimately, the tort has become one of such intense flexibility that it really has become almost a matter of guesswork as to whether to apply. Our approach to this matter would tend to be evidence-based. In every passing off action you get your pound of butter, your watch, your mobile phone and you take that as a very non-scientific control; then you get the rival pound of butter, the competing watch, the displacing mobile phone and you put them side by side. What is the result? Well, if one looks like the other, then in terms of legal practice, as opposed to legal theory, the plaintiff is well on his way. Almost always it is a case of the new boy on the block cashing in on the long reputation for hard work of the established business. Why does it continue to exist? John Fleming supplies the following answer:

> *By freeing the tort from any requirement of actual damage and intention to injure, the law created an effective instrument of economic regulation, in response to an undoubted need for stronger legal weapons to combat commercial misrepresentations. Even so, its purpose is primarily to protect the plaintiff's proprietary interest in his goodwill in a manner similar to intellectual property law, rather than to champion the consumer. Thus it is irrelevant that the defendant's goods were actually cheaper or of superior quality, or that this competition (however unfair to the plaintiff) otherwise enured for the benefit of the public.*[2]

Its closest sibling is in trademarks. A brief description of the regulation of trademarks within the European Union with an illustration of some case law is therefore appropriate.

EU Trade Marks Directive

Attempts to harmonise, or at least to partially harmonise, trade mark laws across the EU began in the 1980s. Council Directive 89/104/EEC of 21 December 1988, later codified as Directive 2008/95/EC, was the result.[3] A Regulation establishing a Community Trade Mark with EU-wide effect soon followed.[4] This is, in most important respects, the same as the Directive. Both the Directive and the Regulation are under review, with draft legislation before the EU parliament proposing amendments to modernise and improve EU trade mark law.[5]

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[2] Sappideen and Vines, *Fleming's The Law of Torts* (Sydney, 2011) (10th ed) at para 30.270, citing *Standard Brands v Smidler* 151 F 2d 34 (2 Cir 1945).

[3] Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks (codified version), O.J. L299/25, 8.11.2008.

[4] Council Regulation (EC) No 40/94 of 20 December 1993 on the Community Trade Mark [1994] O.J. L011/1, 14.1.1994, as amended. There is a proposal to rename the Community Trade Mark, or the CTM as it is known, as a European Trade Mark or European Union Trade Mark: Proposal for a Regulation amending Council Regulation (EC) No 207/2009 on the Community Trade Mark (March 20130 COM (2013) 161 FINAL.

[5] European Commission, Proposal for a Regulation of the European Parliament and of the Council Amending Council Regulation (EC) No. 207/2009 on the Community Trade Mark (March 20130 COM

Divergent national laws with the potential to impede the free movement of goods and the freedom to provide services were the reasons some level of harmonisation was deemed necessary. On a scale of harmonisation, the approach adopted by the Directive was at the lower end: it approximated only those national laws which most directly affected the functioning of the internal market. The general conditions for obtaining and continuing to hold a registered trade mark have been harmonised. But much is left to the discretion of the member states, such as, for example the procedural rules concerning the registration, revocation and invalidity of registered trademarks and the effect of revocation or invalidity. Further, certain grounds for refusing to register or invalidate a trade mark are optional.[6]

A trader in the EU might register his trade mark at national level, at Community level, or he might do both. If he registers it in Ireland, for example, by making an application to the Irish Patents Office, he will have rights in relation to that mark in Ireland. If he registers it as a Community Trade Mark, by means of a single application to the Office for Harmonization in the Internal Market (the OHIM) in Alicante in Spain, he will get a single trade mark that operates throughout the EU. If he applies for both, he will be comfortably protected. He might, of course, also look at international protection, in which case he will be directing his application to the International Bureau of the World Intellectual Property Organisation (WIPO) in Geneva, though this will not give him an 'international mark' as such.

Only a mark which consists of a ‘sign’ may be registered. The sign must be one that is capable of being represented graphically, and capable of distinguishing the goods or services of one undertaking from those of other undertakings. The concept of a ‘sign’ is broad: a non-exhaustive list of the types of signs that may be protected as trade marks includes words, including personal names, designs, letters, numerals, the shape of goods or of their packaging.[7] Registration may be refused on certain ‘absolute’ grounds, such as where the mark is devoid of any distinctive character or is descriptive or generic, save where it has acquired distinctiveness through use.[8] The mark’s relationship with earlier marks may also prevent registration.[9]

Registration confers on the owner certain exclusive rights to ‘use’ the registered trade mark in relation to specified commercial activities.[10] Different modes of infringement are prohibited. In double identity cases, use, in the course of trade, of a sign which is identical to the registered trade mark in relation to identical goods or services is an infringement (Article 5(1)(a)). There is no need to prove a likelihood of confusion in such cases; this is presumed. In similarity cases, a ‘likelihood of confusion’ requirement applies. The owner can prevent use, in the course of trade, of an identical sign in relation to similar goods or services, or a similar sign in relation to identical goods or services, where there is a likelihood of confusion on the part of the public (Article 5(1)(b)). The EU Court of Justice has considered how to assess a likelihood of confusion in a number

(2013) 161 final, 2013/0088 (COD); European Commission, Proposal for a Directive of the European Parliament and of the Council to Approximate the Laws of Member States relating to Trade Marks (Recast) (2013) COM(2013) 162 final.

6 See generally the recitals to Directive 2008/95/EC.

[7] Article 2 of Directive 2008/95/EC.

[8] Article 3 of Directive 2008/95/EC.

[9] Article 4 of Directive 2008/95/EC.

[10] Article 5 of Directive 2008/95/EC.

of important decisions. Kitchin LJ in *Specsavers Intl v Asda Stores Ltd* [2012] EWCA Civ 24 summarised the key principles. Here they are summarised further: the courts look at the question globally through the eyes of the average reasonably observant consumer who cannot directly compare the sign and the trade mark; the question is one of overall impression and not just the dominant elements; the visual, aural and conceptual similarities are assessed; lesser similarity of the sign and the mark may be offset by greater similarity between the goods or services and vice versa.[11] In the third scenario, where the registered trade mark has a reputation, but there is no similarity in terms of the goods or services concerned, member states have an option. They can prohibit use, in the course of trade, of an identical or similar sign for goods or services which are not similar where the registered trade mark has a reputation in the member state and use of the sign without due cause would take unfair advantage of the reputation of the trade mark or its distinctive character or be detrimental to it (Article 5(1)(c)). Irish and British legislation makes provision for this.[12] A few further points to note here: liability for trade mark infringement is strict - there is no requirement to show knowledge or intention on the part of the alleged wrongdoer; moreover, in contrast to passing off, there is no need to demonstrate damage.

The EU Court of Justice has approached the question of infringement by reference to the function of trade marks. In 2002, in *Arsenal Football Club plc v Reed*, the Court said that a trade mark owner can only prevent a third party using a sign which affects or is liable to affect the function of the trade mark, in particular its essential function as an indicator of origin.[13] Recital 11 to the Directive makes specific reference to this function. The case law is also shaped by other apparent trade mark functions not expressly mentioned in the Directive, though only the indicator of origin function is regarded as an essential function, a trade mark is always supposed to fulfil this function. The Court has held that the difference between the essential function and the other functions does not justify excluding from the scope of the Directive acts which adversely affect those functions.[14] There is 'the quality function' (the trade mark tells customers and potential customers that articles bearing the mark are all of the same quality);[15] 'the advertising function' (the trade mark conveys a particular image to the average consumer of the goods or services);[16] 'the investment function' (the trade mark may be used to acquire or preserve a reputation capable of attracting customers and retaining their loyalty);[17] and 'the communications function' (the trade mark provides consumers with various kinds of information on the goods or services).[18] This 'functions' approach has been criticised.[19] Some have complained that the concepts are incomprehensible or vague and ill-defined, others point to the apparent lack of any legislative basis for this approach. Proposals for reform suggested that the Directive should clarify that the only function implicated by

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11 See *Bayerische Moteren Werke AG v Ronayne t/a BMWCare* [2013] IEHC 612, (Unreported, High Court, Ryan J., 19 December 2013).

12 As to Ireland, see the Trade Marks Act 1996, section 14(3); and as to Britain, see the Trade Marks Act 1994, section 10(3).

13 [2003] Ch 454, at para 51 of the EU Court's judgment.

14 *Interflora Inc v Marks & Spencer* Case C-323/09 [2011] ECR I-8625.

15 *SA-CNL SUCAL v HAG*, Case C-10/89 [1990] ECR I.-3752; *Parfums Christian Dior SA v Evora BV*, Case C-337/95 [1997] ECR I-6013; and *Copad SA v Christian Dior Couture SA,* Case C-59/08 [2009] ECR I-3421.

16 *Louis Vuitton v Google France*, Cases C-236/08-238/08 [2010] ECR I-2417.

17 *Interflora Inc v Marks & Spencer* Case C-323/09 [2011] ECR I-8625.

18 *L'Oreal SA & Ors v Bellure NV & Ors*, Case C-487/07 [2009] ECR I-5185.

19 See generally Bentley and Sherman, *Intellectual Property Law*, (Oxford University Press, 2014) (4th ed) at pp 1051 to 1058.

the double identity or confusing similarity notions is the 'origin' function, but this proposal seems to have been dropped.[20]

A trade mark owner's rights are not without limit. A person facing allegations of infringement might seek to challenge the registration of the mark, leaving the owner vulnerable to a declaration of invalidity,[21] or seek its revocation on grounds of non-use or improper use.[22] Certain defences are also available. There is no infringement where use of the registered mark is necessary to indicate the intended purpose of a product or service, provided such use is in accordance with honest practices in industrial and commercial matters.[23] This defence was successfully pleaded in *BMW v Deenik. (Case C-63/97).*[24] There the defendant ran a garage that specialised in the repair of BMW cars, though he was not an official BMW dealer. BMW claimed that the defendant, by stating that he specialised in the repair of BMWs, was infringing the BMW trade mark. However, the EU Court of Justice held that the defence applied: the defendant could not tell the public that he repaired BMWs without using the BMW mark. A similar claim, also involving BMW, presented itself before the Irish High Court in 2013, but with different results: *BMW v Ronayne t/a BMWCare.*[25] The defendant in this case traded under the name BMWCare. This, the Irish High Court said, was a step too far: the defence does not permit someone to create a business out of another's name and trade mark. The name BMWCare also supposed a commercial connection with BMW, which the Court said was misleading to consumers and damaging to BMW. The defendant pointed to language on his website which indicated he was "*independent*" and "*beholden to no one*", but the Court thought that these so-called disclaimers were "*hopelessly inadequate*". The Court concluded that the defendant's use of BMW was without due cause and took unfair advantage of, and was detrimental to, the distinctive character of the BMW trade mark and its reputation, contrary to Article 5(1)(c) of the Directive.

Passing Off: Elements of the tort

While often pleaded together, trade mark law and passing off are distinct causes of action: success in one does not guarantee success in the other. Trade mark law confers exclusive rights on the owner of a registered mark; passing off protects a trader's right to the goodwill he has earned and established. At its core is the principle that nobody has the right to represent his goods as the goods of somebody else.[26] Passing off, in the

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[20] See COM(2013) 162 final. The Commission had originally proposed that, in cases of double identity, the trade mark owner should only be able to prevent use where the use would affect or be liable to affect the function of the trade mark to guarantee to consumers the origin of the goods or services. At page 6 of the Proposal, the EU Commission stated: "*In the interest of legal certainty and consistency, it is clarified that in cases of both double identity under Article 5(1)(a) and similarity under Article 5(1)(b) it is only the origin function which matters.*" However, when the Proposal came before the EU Parliament in February 2014, this additional requirement was deleted.

[21] Articles 3 and 4 of Directive 2008/95/EC. Marks vulnerable to a challenge to registration can be grouped into three categories: (i) marks which do not satisfy the definition of a trade mark; (ii) marks which are non-distinctive, descriptive and generic; and (iii) marks which are contrary to public policy or morality, or which are likely to deceive the public, which are prohibited by law or in respect of which registration was applied for in bad faith.

[22] Article 12 of Directive 2008/95/EC.

[23] Article 6 of Directive 2008/95/EC.

[24] *BMW v Deenik* ECR-I 905. Compare with *Porsche v Van Den Berg*, judgment of 15 January 2013, Hague Appeal Court and *Toyota v Tabari*, 610 F.3d 1171, US Court of Appeals, Ninth Circuit, 8 July 2010.

[25] [2013] IEHC 612, (Unreported, High Court, Ryan J., 19 December 2013).

[26] *Reddaway v Banham* [1896] AC 199 at 204, per Lord Halsbury; see also *Perry v Truefitt* (1842) 6 Beav 66, 49 ER 749, where Lord Langdale MR stated: "*A man is not to sell his own goods under the pretence that they are the goods of another man; he cannot be permitted to practise such a deception, nor to use the means which contribute to that end.*

traditional sense, occurs where Trader B says or does something which incorrectly suggests that his goods or services are those of Trader A, i.e. there is a misrepresentation as to origin. But the tort has moved beyond this classic case: it "*now extends beyond the sale of goods to cover services, beyond pretences concerning the origin of goods to cover pretences concerning their quality, and beyond simple pretences that the goods are those of another trader to cover pretences that the goods have been licensed by another trader.*"[27] Actionable practices include not only selling, but also leasing, buying merchandise under a deceptive name, supplying a competitor with the means to pass off your goods under a false description, applying a process whereby people believe that what they are purchasing is that of the plaintiff when it is that of the defendant.[28]

Various formulations of the tort have been put forward, but these are not to be regarded as comprehensive definitions: the law of passing off contains sufficient nooks and crannies to make it difficult to formulate any satisfactory definition in the short form.[29] But these formulations serve to emphasise its salient features, even if the differences in terminology can at times prove troublesome. The leading modern statement is that of Lord Diplock in the *Advocaat* case, *Erven Warnick v Townend*,[30] but Lord Oliver of Alymerton in *Reckitt & Colman v Borden* ("the Jif Lemon case") broke this down into three elements: the classical trinity of goodwill, misrepresentation and damage.[31] The "cement" of these three elements is customer reliance.[32] A plaintiff:

> … *must 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 'get up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. .. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.*[33]

The essence of the tort is, therefore, a misrepresentation made by the defendant which is calculated to cause damage to the business or goodwill of the plaintiff. No element of the trilogy is determinative: each must be established.

Goodwill: the tort is a remedy for the invasion of a right of property, the property protected being, not the mark, name or get-up improperly used, but the goodwill likely to

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He cannot therefore be allowed to use names, marks, letters or other indicia, by which he may induce purchasers to believe, that the goods which he is selling are the manufacture of another person."

[27] Bentley and Sherman, *Intellectual Property Law*, fn 19 above, at p 827. See also Fleming's, *The Law of Torts*, fn 2 above, at para 30.280: "*Today, any misrepresentation in the course of trade to prospective customers or consumers of the defendant's goods or services, prejudicial to the plaintiff's goodwill, constitutes an actionable wrong in the absence of any exceptional competing policy*".

[28] Fleming's, *The Law of Torts*, fn 1 above, at para 30.280.

[29] *ConAgra v McCain Foods (Australia) Pty* (1992) 23 IPR 193 (FCA), 247, per Gummow J.

[30] *Erven Warnink BV & Anor v J Townend & Sons (Hull) Ltd & Anor (No 1)* [1979] AC 731 at 742.

[31] [1990] 1 WLR 491, 499.

[32] Clerk & Lindsell on Torts, (London, 2014) (21st ed) at para 26-02.

[33] *Reckitt & Colman v Borden* [1990] 1 WLR 491. Approved in Ireland in *Miss World Limited v Miss Ireland* [2004] 2 IR 394; and *Jacobs Fruitfield Food Group Ltd & Anor v United Biscuits (UK) Ltd* [2007] IEHC 368, (Unreported, High Court, Clarke J, 12 October 2007).

be injured by the misrepresentation.[34] That may arise from a brand name, features of labelling or packaging, or descriptive material. What must be shown therefore is that customers or prospective customers of Trader A recognise the name, mark or other indicium as distinctive of Trader A. This does not mean that the name or mark or whatever is said to attract goodwill must be particularly eye-catching or novel. Conversely, if the name or mark or whatever does not distinguish the trader's good from those of actual or potential rivals, then however remarkable it may be, it will not be distinctive in the legal sense.[35]

Damage: proof that Trader B's misrepresentation is such as to be likely to cause substantial damage to Trader A's goodwill is crucial. The damage may be the loss of existing trade and profits; loss of potential trade and profits; or more recently, damage to reputation or dilution, akin to the tort of injurious falsehood but not sharing the precise elements of that tort.[36] Trader A does not have to prove actual damage; a likelihood of damage is sufficient. Wadlow notes that in practice damage tends to be assumed.[37] This is particularly so in the traditional passing off type case: a misrepresentation by Trader B that his goods or services are those of Trader A is seen as intrinsically likely to damage Trader A where their fields of business are reasonably close. Though there is no longer a requirement that traders share a common field of activity, it remains relevant in terms of establishing both goodwill (the goodwill of Trader A in the mark or whatever may not extend to the field in which Trader B is using the mark) and damages (where the fields of activity are unrelated, it may be that there is no real or tangible risk that Trader A will suffer damage).[38] The element of damage may require a more rigorous examination in cases on the borderline of what would traditionally have been regarded as passing off.[39] In such cases, the likelihood of damage provides an acid test to distinguish those misrepresentations which amount to passing off from those of which the plaintiff cannot complain. Notwithstanding that damage may be inferred in certain cases, it remains an essential requirement in its own right.

Misrepresentation: the essence of the tort is a misrepresentation. It may be express, as where there is a statement that the defendant's goods are made by the plaintiff, or it may be implied, as where the defendant manufactures or packages his goods to look like the plaintiff's. In either case, it must be likely to influence the actions of the persons to whom it is made. Trader A must demonstrate a misrepresentation on the part of by Trader B which leads or is likely to lead the public to believe that his goods or services are those of Trader A or that they share a common manufacturer or that there is some other economic arrangement in place. Precision in the choice of language would be

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[34] As to the definition of 'goodwill', see *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 233, HL, per Lord Macnaghten.

[35] Wadlow, *The Law of Passing Off*, (London, 2011) (4th ed) at para 8-145. See also *Cadbury Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] 1 WLR 193, 200 where Lord Scarman stated that the misrepresentation could involve descriptive material "*such as slogans or visual images, which radio, television or newspaper advertising campaigns can lead the market to associate with the plaintiff's product, provided always that such descriptive material has become part of the goodwill of the product.*" The test is whether "*the product has derived from the advertising a distinctive character which the market recognises.*"

[36] As to injurious falsehood generally, see *Fleming's the Law of Torts*, fn 2 above, at paras 30.230 to 30.260.

[37] Wadlow, fn 35 above, at para 4-024. The *'Elderflower Champagne'* case, *Taittinger SA v Allbev Ltd*, is one of the few cases where the plaintiff failed at first instance as it was unable to establish any likelihood of damage. However, the first instance decision was overturned on appeal: [1994] 4 All E.R. 75.

[38] As to the old requirement for a common field of activity, see Phillips and Coleman, "Passing Off and the Common Field of Activity", (1985) 101 LQR 242.

[39] Wadlow, fn 35 above, at para 4-024.

helpful here: the words 'misrepresentation', 'deception' and 'confusion' are used somewhat loosely. What must be shown is a misrepresentation. This misrepresentation must be one which is 'calculated' to injure the business or goodwill of the plaintiff. 'Calculated' in this sense means 'likely' or 'reasonably foreseeably', but it no longer requires deliberate deceit.[40] If we replace 'misrepresentation' with 'deception', something which is common-place in the case law, most likely due to the roots of passing off in the tort of deceit, what must be shown is a deception which is calculated to injure. Immediately one's mind wanders to notions of intention and fraud and malice. But the language is itself deceptive; the tort no longer requires proof of *mens rea* and indeed it is unique amongst the economic torts in this respect.[41] The plaintiff does not need to show that the misrepresentation, or the deception, was conscious, deliberate, intentional or fraudulent; though proof of such may have evidential value.[42] Where there is proof of an intention on the part of the defendant to deceive, the courts are likely to infer that he achieved his objective.[43] In *Harrods Ltd v Harrodian School Ltd* Millet LJ put it thus:

> *Deception is the gist of the tort of passing off, but it is not necessary for a plaintiff to establish that the defendant consciously intended to deceive the public if that is the probable result of his conduct. Nevertheless, the question why the defendant chose to adopt a particular name or get up is always highly relevant. It is "a question which falls to be asked and answered": see Sodastream Ltd v Thorn Cascade Co Ltd [1982] RPC 459 at page 466 per Kerr LJ. If it is shown that the defendant deliberately sought to take the benefit of the plaintiff's goodwill for himself, the court will not be astute to say that he cannot succeed in doing that which he is straining every nerve to do": see Slazenger & Sons v Feltham & Co (1889) 6 RPC 531 at page 538 per Lindley LJ.*[44]

Innocence, then, is no defence. What matters is whether, objectively, the defendant's misrepresentation, or deception, misled or was likely to mislead consumers as to the origin of his goods or services or cause them to assume that the defendant was in some way connected or associated with the plaintiff. The focus is on the likely consequences of the defendant's actions and the effect that they have on the public, not the defendant's state of mind. Alternatively, the question for the judge is whether the deception is likely to be really damaging to the plaintiff's goodwill or divert trade from him.[45] This is where the concept of the likelihood of confusion creeps in. Though strictly a trade mark concept, reference to the concept of confusion is possibly due to the fact that passing off

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[40] In the *Advocaat* case, Lord Diplock referred to the misrepresentation being "*calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence*)".

[41] Wadlow, fn 35 above, at para 5-051: "*In this respect passing-off is unique among the common law economic torts, all of which otherwise require a mental element varying from negligence, through malice, to malevolence in the sense of a deliberate intention to injure coupled with an improper motive.*"

[42] One possible exception to the rule that the defendant's state of mind is irrelevant is that a trader may be liable for passing-off by supplying another trader with goods which are not inherently deceptive, knowing or intending that they would be used in a deceptive manner (instruments of deception). This is discussed below.

[43] *Slazenger v Feltham* (1889) 6 RPC 531. This does not necessarily follow as a matter of logic: an intention to deceive is not conclusive that deception is in fact likely to occur. In *Parker Knoll v Knoll International* [1962] RPC 265, Lord Devlin questioned the basis for the rule: *"It is not easy to see why the defendant's own estimate of the effect of his representation should be worth more than anybody else's." It seems probable that the rule is steeped in history rather than in logic."*

[44] [1996] RPC 697 at 706.

[45] In *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5, Jacob LJ stated that "*a more complete test would be whether what is said to be deception rather than mere confusion is really likely to be damaging to the claimant's goodwill or divert trade from him. I emphasise the word "really."*"

claims are often tagged on to trade mark infringement claims.[46] But the essence of the tort is deception, not confusion:[47] confusion alone cannot ground a passing off claim, though it may be sufficient where the allegation is of trade mark infringement.[48] It has come to be supposed that proof of confusion is in some sense an acceptable substitute for proof of deception. This is not so. As Wadlow notes, deception pre-supposes the existence of a misrepresentation, confusion does not.[49] The absence of evidence of actual confusion is not decisive. Indeed all that proof of actual confusion may show is that people make assumptions, jump to unjustified conclusions, and put two and two together to make five.[50] In *Reed Executive plc v Reed Business Information Ltd*, Jacob LJ drew a distinction between assumption and mere wondering: "*once the position strays into misleading a substantial number of people (going from 'I wonder if there is a connection' to 'I assume there is a connection') there will be passing off.*"[51] That said, evidence of "*the spontaneous reactions of members of the relevant public*" is very useful in practice.[52]

The notional customer for the goods or services in question is the equivalent of the team skilled in the art of patent law. In some cases this notional customer will be discerning, as in the case of potential customers wishing to borrow a fortune from a bank.[53] Supermarket shoppers on the other hand might be regarded as careless and uninterested. Trial courts will not take account of the notional customer who does not care one way or another. It is not essential to show that all members of the relevant class of persons are likely to be deceived or misled, but merely that a majority or a substantial portion is likely to be.[54] As to what a 'substantial' number is, the question remains open, but Charleton J in his decision in *McCambridge Ltd v Joseph Brennan Bakeries* (discussed below) suggested that in "*applying that test it is incumbent on courts to recognise the business reality of margins and how the loss of more than a trivial section of customers can precipitate an enterprise from profit to loss.*"[55]

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46 This was noted by Hacon J in his first instance decision in *Moroccanoil Israel Ltd v Aldi Stores Ltd* [2014] EWHC 1686 (IPEC) (discussed in detail below), where he stated: "*The problem is that the law reports are full of cases in which misrepresentation is discussed in terms of whether or not there was a likelihood of 'confusion' on the part of the public. This is not surprising… Allegations of trade mark infringement and passing off are commonly argued in the same action and often the evidence and the arguments on statutory confusion in the trade mark sense get to double up as the central part of the debate about misrepresentation in the context of passing off. The two concepts are not identical but there is overlap. Even where trade mark infringement is not in issue, force of habit can often lead to the word 'confusion' being used when discussing the key elements of misrepresentation.*"

47 *Fine & Country Ltd v Okotoks Ltd* [2013] EWCA Civ 672 at para 55, per Lewison LJ: "… *the essence of the action is not confusion, but misrepresentation.*"; and *Barnsley Brewery Company Ltd v RBNB* [1997] FSR 462 at 467, per Robert Walker J: "*If there is no deception, mere confusion or the likelihood of confusion is not sufficient to give a cause of action.*"

48 *Marengo v Daily Sketch* [1992] FSR 1, per Lord Greene MR: "*No one is entitled to be protected against confusion as such. Confusion may result from the collision of two independent rights or liberties and where that is the case neither party can complain; they must put up with the results of confusion as one of the misfortunes which occur in life. The protection to which a man is entitled is protection against passing-off which is quite a different thing from mere confusion.*"

49 Wadlow, fn 35 above, at para 1-030.

50 *Premier Luggage & Bags Ltd v Premier Co (UK) Ltd* [2002] EWCA Civ 387, per Chadwick LJ.

51 [2004] RPC 40 at para. 111; Jacob LJ made similar comments in *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5.

52 *Interflora Inc v Marks & Spencer plc* [2012] EWCA Civ 1501 (a trade mark case).

53 *HFC Bank plc v Midland Bank plc* [2000] FSR 176.

54 *Kark (Norman) Publications Limited* [1962] 1 WLR 380, per Lord Wilberforce: "*It is enough to show that a substantial number of persons likely to become purchasers of the goods are liable to be deceived*"; and *Jacob Fruitfield Food Group Ltd & Anor v United Biscuits (UK) Ltd* [2007] IEHC 368, (Unreported, High Court, Clarke J, 12 October 2007) per Clarke J: "*The standard by reference to which the existence of goodwill needs to be judged (and, it follows, by reference to which the risk of confusion also needs to be determined) is that applied by any significant number of potential customers for the products concerned.*"

55 [2014] IEHC 269, (Unreported, High Court, Charleton J, 27 May 2014).

Such is the basic theory of the tort of passing off; practice demonstrates that predictability of outcome is elusive. These cases tend to come down to perception and one wonders how such cases have much, if any, precedential value. In illustration is a case which recently came before the Irish High Court and the Supreme Court on appeal: *McCambridge Ltd v Joseph Brennan Bakeries*.[56] Wholewheat bread was in issue. And it was one of the relatively rare cases where a claim for passing off based on get-up alone was successful.[57] Such cases are hard to bring home without evidence of an intent to mislead, it being difficult to establish both distinctiveness and the likelihood of a misrepresentation.[58] The plaintiff, McCambridge Ltd is the market leader in Ireland for wholewheat bread, having a 30% market share at the relevant time. It sells its bread in a plastic re-sealable bag. On the front of the bag, there is a dark green panel, which includes an image of a sheaf of wheat, the words 'Irish Stoneground Wholewheat Bread', and the McCambridge name printed in an arc shape, underneath which there is the signature of 'John McCambridge'. The bag, apart from the green label, is see-through. Brennan is one of Ireland's largest and well-known manufacturers of breads, "today's bread today!", though until 2010 it had not entered the market for wholewheat bread. At the relevant time, it had a 6% market share, which it wanted to increase, under new packaging. Brennan adopted the same re-sealable type of plastic bag as that used by McCambridge, a green panel also appeared on the front, though a slightly different shade. The script was also similar, and a signature was also used, that of 'Joe Brennan'. McCambridge complained of passing off. It did not claim any proprietary right in the type of resealable bag, its shape or the shape of the bread inside; taken individually, these elements were generic or common to the trade.[59] But what it complained about was Brennan's use of a combination of these elements.[60] Brennan said it had done enough to distinguish its product: the red and yellow colours which feature on all its bread appeared prominently on the front, as did its name and logo.

The High Court judge framed the question thus: whether, objectively speaking, a reasonable member of the public wishing to purchase a loaf of McCambridge wholewheat bread was likely to be confused into buying the Brennan's wholewheat loaf in error, believing it to be McCambridge bread because it so closely resembled it in its general get-up. Goodwill was conceded. Damage was assumed. The issue then was whether there was a misrepresentation on the part of Brennan. McCambridge said that Brennan deliberately tried to copy its packaging in order to improve its own market share. Reference was made to correspondence between Brennan and the design agency, obtained on discovery, which suggested that a particular alteration, ultimately adopted, would bring "*it closer to McCambridges'*. Could they have had the McCambridge packaging

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[56] [2011] IEHC 433, (Unreported, High Court, Peart J, 25 November 2011); and [2012] IESC 46, (Unreported, Supreme Court, 31 July 2012).

[57] See *Adidas v O'Neill* [1983] ILRM 112 where O'Higgins CJ observed that a claim for passing off based exclusively on the alleged imitation of the general appearance of "get up" is rare.

[58] See Wadlow, fn 35 above, at para 8-133: "*To make out a case based solely on similarities of get-up the claimant must show that deception is likely notwithstanding the absence of his own brand name on the defendant's goods and the likely presence there of the defendant's brand name and perhaps other distinguishing matter. Not surprisingly, the cases in which passing-off has been found have predominantly been ones of deliberate deception.*" See *Fisons v Godwin* [1976] RPC 653; *Burford v Mowling* (1908) 8 CLR 212; *Parkdale Pty Ltd v Buxu Pty Ltd* (1982) 149 CLR 191; and *Red Bull GmbH v Mean Fiddler* [2004] EWHC 991.

[59] As to generic feature cases, see *Williams JB Company v Bronnley & Co Ltd* (1909) 26 R.P.C. 765; *Hennessy & Co Limited v Keating* [1908] 1 IR 43; *Mars Australia Pty Limited v Sweet Rewards Pty Limited* [2009] FCAFC 174; *Imperial Group v Philip Morris* [1984] RPC 293; and *Rizla v Bryant & May Limited* [1986] RPC 389.

[60] *Polycell Products Ltd v O'Carroll & Ors t/a Dillon O'Carroll* [1959] 1 Ir Jur Rep 34: though features may in themselves be "individually generic", a particular combination of such characteristics may, nonetheless, be sufficiently distinct and identifiable such that it constitutes a reputation which will be protected.

in mind? The judge was not swayed by the allegations; he was satisfied that Brennan had not set out to mislead consumers, but in any event it mattered not: innocence is no defence. The judge had to put himself into the shoes of the average shopper for McCambridge wholewheat bread: a person who is "*not in any particular hurry*", is "*neither overly scrupulous [or] dilatory*" and who enters a shop with a wish to purchase a loaf of McCambridge wholewheat bread.[61] The judge would not concern himself with the careless or indifferent shopper. Wearing his 'average consumer' hat, the judge would make his assessment based on a "*first overall impression*". To aid the judge, a mock supermarket stand was installed in the court room. The stand was stocked with a variety of wholewheat breads, including that of Brennan and McCambridge and other brands. Consumer witnesses and expert witnesses were called. One of the consumer witnesses said she went into her local supermarket, picked up the bread as part of her general shop thinking it was McCambridge bread; a price sticker had partially obscured the Brennan logo. Another, a long-term purchaser of McCambridge bread, said that when he picked up the bread, the supermarket shelf was messy and it was only the next morning, while eating a slice of toast, that he realised his mistake. A shopkeeper told of how customers returned Brennan's bread to his shop, complaining that the packaging was confusingly similar. Evidence given by the experts supported the case made on behalf of the respective parties: an expert called on behalf of McCambridge said the opportunity for customers to make a mistake was high; whereas an expert called on behalf of Brennan said the packages were "*chalk and cheese*".

As to the factors to take into account, the trial judge approved the comments of his colleague, Clarke J in *Jacob Fruitfield Food Group Ltd v United Biscuits (UK) Ltd*:

> *Firstly I should have regard to the circumstances in which the products are likely to be purchased, the sort of customers who are likely to purchase them, and the amount of attention which, at least the less careful of those purchasers, are likely to apply to their considerations. The competing get ups should be judged as a matter of first impression but also by reference to the type of features which, in all the circumstances of the case, are likely to attract the attention of a purchaser in those circumstances. While it is true to state that distinguishing brand or trade names need to be carefully considered, that aspect of the case also needs to be seen in context by reference to the extent which those features are likely, in all the circumstances, to have an effect on actual purchasers. I do not consider that either Fisons or Adidas establish any special rule to be applied in cases where brand or trade names are present. Those cases merely state the obvious. That in many, perhaps most, cases where there is a clear presence of a brand or trade name it is likely that purchasers will identify the differences in the product by reference to it. There may, however, be cases where, in all the circumstances of the case, and notwithstanding such a distinguishing feature, a risk of confusion nonetheless continues.*[62]

Context is relevant. The trial judge considered how the competing loaves would be presented in the supermarket: generally on open shelves at or near eye level; some of the shelves would be flat, while others would be sloped upwards. At the start of the day, the loaves would generally be stocked upright on the shelves, but as the day progressed, they may get tossed around, thus obscuring any distinguishing features, such as a competing brand name or logo, on the front of the packaging. A further consideration was that the purchase of bread is not something to which the average consumer will typically devote much time: he or she will pick the bread off the shelf quite quickly and place it in his or

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[61] As to the 'reasonably prudent shopper' test, see *Jacob Fruitfield Food Group Ltd & Anor v United Biscuits (UK) Ltd* [2007] IEHC 368, (Unreported, High Court, Clarke J, 12 October 2007).
[62] Ibid.

her shopping basket without too much, if any careful scrutiny.[63] All of this was relevant when considering the "get up" of the two competing products.

The judge accepted that the packaging had differences, he concluded that "*it would take more care and attention than… it is reasonable to attribute to the average shopper for him or her not to avoid confusion between the two packages when observed on the shelf, especially when these are placed adjacently or even proximately so.*" The positioning of the identifiable Brennan colours and logo, and the other distinguishing features, could not overcome the risk of confusion. Passing off was established: the remedy, an injunction and an account of profits. An appeal to the Supreme Court was dismissed, though one judge saw the case as one of mere confusion.[64]

Contrast this with the recent decision of the English High Court in *Morrocanoil Israel Ltd v Aldi Stores Ltd*.[65] Here the plaintiff, MIL, a manufacturer of hair oil, was unable to establish a misrepresentation on the part of Aldi, a well-known discount supermarket. The competing products were MIL's leading product, 'Moroccanoil', sold in a brown bottle with a turquoise label and packaged in a turquoise box, with orange graphics, and Aldi's 'Miracle Oil', sold in a similar type bottle, but bearing Aldi's CARINO' brand and a leaf motif. While the trial judge accepted that the word 'Moroccanoil' was distinctive of MIL, he was less inclined to find that the get-up was by itself distinctive. The product had never been marketed without the name so it could never have become distinctive. The two must be viewed together. The name, he thought, played the greater role and so he approached the case on the basis that the goodwill in MIL's business attached primarily to its name. This even though he accepted that at the relevant time the particular shade of bright turquoise used by MIL was not to be found as a significant feature in the packaging of other hair care products marketed in the UK. This, it would seem, put MIL on the back foot from the outset: similarity, as opposed to distinctiveness in get-up, will rarely give a cause of action if the names of the traders concerned are given reasonable prominence on the goods.[66] What's more, any trader is free to copy a rival's goods in respects in which they are not distinctive. A further challenge facing MIL was that there was no evidence that any consumers had actually assumed, because of Miracle Oil's name and get-up, that it had a trade connection with MIL. Indeed blog evidence tended to suggest the opposite. Bloggers referred to the fact that they had to do "*a double take*" and that Aldi's packaging was "*cheeky*", but none were misled. MIL then sought to argue ill-intent on Aldi's part: it said Aldi designed the packaging with

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[63] On appeal, it was submitted on behalf of Brennan that customers who do not look at the packaging of a product to see if it is the brand they wish to buy should properly fall into the category of "the careless consumer" and in such circumstances there can be no misrepresentation. However, MacMenamin J who delivered the majority judgment, stated that this submission missed a critical part of the trial judge's rationale: he was addressing evidence as to the phenomenon of fast moving consumer goods displayed on a supermarket shelf. What was in issue, and what was clearly in the trial judge's mind, was that even ordinary reasonable prudent customers do not, in fact, frequently carry out a detailed examination of the product at the time when they take the bread from the supermarket shelf and place it in the supermarket trolley.

[64] *McCambridge v Joseph Brennan Bakeries* [2012] IESC 46. The dissenting judge, Fennelly J, stated at para 19 of his judgment that the trial judge set the bar too low: "*it is only where one trader is shown to have so behaved as to lead those consumers to believe that the goods he is selling are those of the competitor that the tort of passing-off is committed. In my view, the analysis deployed by the learned trial judge would permit a finding of passing off to be made merely on a sufficient showing of confusion without the essential element of imitation of the specific quasi-proprietary interest of the plaintiff in the get-up of his own goods.*"

[65] [2014] EWHC 1686 (IPEC).

[66] Clerk & Lindsell, fn 32 above, at para 26-13, citing *CMG Radio Holdings Ltd v Tokyo Project Ltd* [2005] EWHC 2188 (Ch); [2006] FSR 15.

Moroccanoil firmly in mind. The Court was shown documents produced by Aldi in the design phase, one of which included a comment that the design needed to match the Moroccanoil colours. MIL accepted that no misrepresentation would be established if it were shown that the similarities did no more than cause Aldi's Miracle Oil to bring MIL's Moroccanoil to mind. But, it was said that Aldi was "*living dangerously*". The Court accepted that Aldi had made a conscious decision to package Miracle Oil in a way reminiscent of Moroccanoil to some real extent. But, be that as it may, it could not, without more, amount to passing off. A trader who lives dangerously appreciates the risk of confusion, but endeavours to maintain a safe distance.[67] Hacon J stated that "*if the defendant's intent is that the name and/or get-up of its product will bring to mind the claimant's product but not lead to any false assumption on the part of the public as to any sort of trade connection (including common manufacturer or a licence), then at best from the claimant's point of view this is neutral.*" Aldi's subjective intent was only one element in the global assessment. Other factors were also relied on: (i) Moroccanoil was typically sold in high-end salons, and was not a product one would expect to find in Aldi; (ii) Moroccanoil costs about £30, Miracle Oil a mere £4; and (iii) the Moroccanoil box, and the label on the bottle, used a striking 'M' logo, and the CARINO brand and leaf motif appeared on the Aldi equivalent. Hacon J concluded at pp.1107-1108:

> … *the evidence does not lead to the conclusion that members of the public are likely to assume either that Miracle Oil and Moroccanoil are the same thing or that they come from the same manufacturer or are otherwise linked in trade, such as by a licence. Even if there were any such members of the public, they would be too few in number to cause damage to MIL's goodwill.*
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> *I think that Aldi intended to make the public think of Moroccanoil when they saw Miracle Oil in its packaging and I think Aldi succeeded. But purchases of Miracle Oil have not been and are not likely to be made with any relevant false assumption in the mind of the purchasers. There is not even likely to be any initial interest confusion. There is no likelihood of an actionable misrepresentation.*[68]

Some might wonder whether this case brings back the old requirement to prove an intention to deceive? Though the test is supposedly an objective one, and the subjective intent of the defendant is an element to be weighed in the balance, one is driven to the conclusion that only evidence of some ill-intent on Aldi's part would have led the Court to reach a different decision. How in reality is one to prove this? It will be impossible in all but the most blatant of cases. While Aldi admitted that it made a conscious decision to live dangerously, the Court was satisfied on the evidence before it, or the lack of evidence, that it had not crossed the line. But where is the line? Aldi admitted to borrowing aspects of MIL's get-up, particularly its turquoise colour, though this get-up was not found to be distinctive of MIL. In some senses it is difficult to rationalise this finding: why, in trying to make its product reminiscent of MIL's, would Aldi copy its get-up if the get-up was not thought to be distinctive of MIL? But to paraphrase the comments of the Federal Court of Australia in *Sydneywide Distributors Pty Ltd v Red Bull Australia Pty Ltd*, is it not a reasonable inference that Aldi, with knowledge of the market, considered that such borrowing was "*fitted for the purpose and therefore likely to deceive or confuse…?*".[69] If the tort exists to protect the trader, and not to champion the consumer, should the remedy not be more readily available in such cases? Passing off has shown

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[67] Specsavers International Healthcare Ltd & Ors v Asda Stores Ltd [2012] EWCA Civ 24 at para 115.
68 [2014] EWHC 1686 (IPEC) at paras 60 to 61.

[69] [2002] FCAFC 157.

itself in the past to be flexible enough to adapt to changing business practices and indeed this has been part of its charm. Lookalike goods are increasingly sophisticated and many escape legal censure, at least under the law of passing off, by making sure their own brand name is prominently displayed.[70] This, it is said, neutralises any misrepresentation so confusion is avoided and there can be no deception.[71] But one wonders whether this can really be asserted so definitively as if it were a rule of law, when in reality it is no more than just an assumption or a probability. Perhaps we afford too much respect to the brand name? Wadlow suggests that in today's world get-up should be taken more seriously as an indication of origin and perhaps sometimes should be of comparable importance to the brand.[72] He states:

> *It is probably still true to say that very few traders deliberately use get-up as the sole or primary means of identification of their goods. That is given to verbal marks, and especially brand names. However, what matters is how customers distinguish competing goods in fact. It is quite normal for customers selecting goods from supermarket shelves to go by some aspect of the overall appearance as much as by the name. What is more difficult is to identify the precise visual cues on which the customer relies. Despite the fact that many of the brands of any particular commodity often bear an overall resemblance to one another, the eye seems to be able to distinguish them and select one without any conscious reference to the brand names as such. Unfortunately, there has been little objective analysis of this effect in the reported cases, and self-serving assertions of what is or is not distinctive do not always help.*[73]

Others might argue that this only reaffirms the central importance of misrepresentation. One might say the totality of the evidence simply could not support a case of passing off and that courts should be on their guard against finding fraud merely because there has been an imitation of another's get-up.[74]

This was simply a case of competition in action: there is no tort of copying, passing off does not confer monopolies and the courts can only intervene where there is a legal, as distinct from a moral, wrong. Copying, without a misrepresentation, is prohibited in continental Europe as a form of unfair competition, but no such cause of action exists in Ireland or in the UK, though many have argued in its favour.[75] There is a statutory regime, derived from an EU Directive, which prohibits unfair commercial practices in a business to consumer context, of which copying might arguably be one.[76] In the UK, the Government is considering making a civil injunctive power available to businesses to prevent rivals copying the designs of their product packaging.[77] But where passing off is pleaded, the three elements of the trilogy must each be established. Not all mirepresentations will be actionable: a misrepresentation which a trader regards as damaging will not necessarily cause damage.

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[70] Cornish and Llewelyn, Intellectual Property, (London, 5th ed) (2003) at para 16-40.

[71] Middlemiss and Warner, "Is there still a hole in this bucket? Confusion and misrepresentation in passing off", (2006) 1(2) JIPLP 131.

[72] Wadlow, fn 35 above, at para 8-136.

[73] Wadlow, fn 35 above, at para 8-147.

[74] See *Cadbury-Schweppes Pty Ltd v Pub Squash Co Pty Ltd* [1981] 1 WLR 193.

[75] The nearest one comes is copyright, but that carries its own problems.

[76] Section 71 of the (Irish) Consumer Protection Act 2007; see generally, Nathan Reilly, 'A New Unfair Competition Law for Ireland', (2009) 31 DULJ 1 at 100.

[77] See Department for Business, Innovation, Skills and Intellectual Property consultation on consumer protection: copycat packaging. The consultation closed in May 2014 and, as at the time of writing, the Department is analysing the feedback received.

Unimagined worlds

The American courts have, since 1953, recognised a "right of publicity" as a property right, conferring an exclusive right to exploit the publicity value of one's name, likeness or other personality attributes.[78] Thus even in the absence of any suggestion of sponsorship or the like, the unconsented use of the plaintiff's name or image is actionable, provided it is not merely incidental, but designed specifically to promote the defendant's commercial interest.[79] Judge Jerome Frank in *Haelan Laboratories v Topps Chewing Gum* considered that a man has a right in the publicity value of his photograph. He explained: "*it is common knowledge that many prominent persons, far from having their feelings bruised through public exposure of their likeness, would feel sorely deprived if they no longer received money for authorising advertisements, popularising their countenances, displayed in newspapers, buses, trains and subways*." In 1977 the right was recognised by the US Supreme Court.[80] It is now recognised as a distinct right in more than half the US states, either by statute or at common law or both.[81] In other states, it is protected through the law of unfair competition. A similar right has been developed in Canada[82] and in the Caribbean.[83]

In 1960, Professor William Prosser put forward the "*name or likeness*" formulation: the right of publicity cases involved either name appropriation or picture or other likeness appropriation.[84] Prosser considered, however, that it was not impossible that there might be appropriation of a person's identity, as by impersonation, without the use of either his name or his likeness. The case law soon bore out this prediction. The courts restrained the use of a famous catchphrase,[85] an impersonator,[86] and a celebrity lookalike.[87] In *Midler v Ford Motor Co* the defendant was prevented from using in an advertisement a sound-

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[78] The right was recognised by Jerome Frank J in *Haelan Laboratories v Topps Chewing Gum* 202 F. 2d 866 (2d Cir). Here the plaintiffs were chewing gum manufacturers who had contracted with baseball players for the exclusive right to use their names and likenesses in connection with their gum. They successfully prevented the defendants from using these same sportsmen in their advertising

[79] Fleming, The Law of Torts, (Sydney, 1992) (8th ed) at p 719.

[80] *Zacchini v Scripps-Howard Broadcasting* 433 U.S. 562 (1977).

[81] There is no federal right to a right to publicity. Under the Restatement (Second) Of Torts §§ 652A - 652I the invasion of the right to publicity is most similar to the unauthorised appropriation of one's name or likeness.

[82] *Krouse v Chrysler* (1973) 40 DLR (3d) 15 (Ont. CA).

[83] *The Robert Marley Foundation v Dino Michelle Ltd* JM 1994 SC 032, where the Supreme Court of Jamaica held that the commercial use of Bob Marley's name and likeness on t-shirts without the plaintiff's consent constituted an impairment of the plaintiff's exclusive right to use Marley's image. The Court stated that *"[Jamaican] law recognises a civil wrong, known in Canada as "appropriation of personality" and in several States of the United States as "breach of the right of publicity". It is not so much that the cases have "uncovered a piece of the common law and equity that had [hitherto] escaped notice… but rather, the declaration of the tort results from the application of recognised principles of law seven if hitherto diffuse) to particular fact situations arising under "new conditions of society". The tort consists of the appropriation of a celebrity's personality (usually in terms of his or her name and likeness etc) for the financial gain or commercial advantage of the appropriator, oto the detriment of the celebrity or those claiming through him or her."* The authors are grateful to Natalie GS Corthésy for drawing their attention to this case. See further Eddy D Ventose and Nathalie GS Corthésy, "Protecting personality rights in the Commonwealth Caribbean", (2009) 4(12) JIPLP 904.

[84] Prosser, "Privacy", (1960) 48 Cal. L. Rev. 383, 401-07 (1960), referred to by the California Court of Appeal in *Eastwood v. Superior Court*, 149 Cal App 3d 409, 198 Cal Rptr 342 (1983).

[85] *Carson v Here's Johnny Portable Toilets Inc* 698 F 2d 831 (6th Cir. 1983).

[86] In *Estate of Presley v Russen* 513 F Supp 1339 (DNJ, 1981) the right was applied to prohibit impersonators of the late Elvis Presley, while in *Price v Worldvision Enterprises Inc* (SD NY) 455 F Supp. 252 the plaintiffs, heirs of the actors who had created the comedy characters, Laurel and Hardy, were able to prevent a television series portraying the comedy duo.

[87] *Onassis v Christian Dior* 472 NYS (2d) 254 (SC 1984)

alike of the "*celebrated chanteuse*", Bette Midler.[88] Noonan J, delivering the judgment of the Court of Appeals for the Ninth Circuit, stated that Midler's voice was obviously of benefit to the defendant: why else would it have studiously acquired the services of a sound-alike and instructed her to imitate the chanteuse. He reasoned that one's voice is as distinctive and personal as one's face and to impersonate Ms Midler's voice was to pirate her identity and commit a tort.

The *Vanna White* case, it is suggested, was a step too far.[89] Here the Ninth Circuit found that the evocation of a celebrity's identity was enough to find a misappropriation of personality. Samsung ran an advertisement for its VCRs which featured a robot dressed in a blonde wig, an evening gown and jewellery standing next to a board of large letters. The board was intended to depict the popular television game show, The Wheel of Fortune, and the robot, the show's hostess, Vanna White. The advertisement was set in the future. The message was that the Samsung VCR would still be in use in the 21st century, but a robot would have replaced the celebrity game show hostess. Perhaps not seeing the fun in it, White sued. The Court found that the advertisement had wrongfully misappropriated Ms White's identity by evoking her image. The majority of the Court thought that the right to publicity could not possibly be limited to names and likeness. If it were, a "*clever advertising strategist*" could avoid using White's name or likeness, but nevertheless remind people of her with impunity, effectively eviscerating her rights. The right of publicity must therefore extend beyond name and likeness to any appropriation of White's identity, that is to anything that evokes her personality. Judge Alarcon dissented. He thought the majority decision confused Vanna White, the person, with the role she had assumed on the game show. He stated:

> *The majority appears to argue that because Samsung created a robot with the physical proportions of an attractive woman, posed it gracefully, dressed it in a blond wig, an evening gown, and jewelry, and placed it on a set that resembles the Wheel of Fortune layout, it thereby appropriated Vanna White's identity. But an attractive appearance, a graceful pose, blond hair, an evening gown, and jewelry are attributes shared by many women, especially in Southern California. These common attributes are particularly evident among game-show hostesses, models, actresses, singers, and other women in the entertainment field. They are not unique attributes of Vanna White's identity. Accordingly, I cannot join in the majority's conclusion that, even if viewed together, these attributes identify Vanna White and, therefore, raise a triable issue as to the appropriation of her identity.*
>
> *The only characteristic in the television commercial that is not common to many female performers or celebrities is the imitation of the "Wheel of Fortune" set. This set is the only thing which might possibly lead a viewer to think of Vanna White. The Wheel of Fortune set, however, is not an attribute of Vanna White's identity. It is an identifying characteristic of a television game show, a prop with which Vanna White interacts in her role as the current hostess. To say that Vanna White may bring an action when another blond female performer or robot appears on such a set as a hostess will, I am sure, be a surprise to the owners of the show.*

In a dissenting opinion delivered after a petition for a rehearing was denied, Judge Kozinski considered how the sweeping nature of this new right, a right which would give every famous person an exclusive right to anything that would remind the public of her:

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88 *Midler v Ford Motor Co* 849 F 2d 460 (1988).

89 *White v Samsung Electronics America Inc* 971 F 2d (1395) (1992) (9th Cir (US).

> *What is it about the ad that makes people think of White? It's not the robot's wig, clothes or jewelry; there must be ten million blond women (many of them quasi-famous) who wear dresses and jewelry like White's. It's that the robot is posed near the "Wheel of Fortune" game board. Remove the game board from the ad, and no one would think of Vanna White... But once you include the game board, anybody standing beside it - a brunette woman, a man wearing women's clothes, a monkey in a wig and gown -would evoke White's image, precisely the way the robot did. It's the "Wheel of Fortune" set, not the robot's face or dress or jewelry that evokes White's image. The panel is giving White an exclusive right not in what she looks like or who she is, but in what she does for a living.*[90]

The decision has been much criticised; and we think justifiably so, with many pointing to the fact that the "use" of Vanna White was not deceptive and nor did it free-ride on her associative value.[91] The evocation of Ms White's role was not intended to encourage her fans to buy a Samsung VCR. It has been said that the decision "*dangerously expanded the aura of protection for celebrities*" and that it failed to make a distinction between a commercial use and a use of the commercial value of a celebrity's identity; only the latter should be questioned.[92]

Compare the US position with that in Ireland and the United Kingdom, where the law does not recognise any independent right of publicity.[93] At least as regards the United Kingdom, this was confirmed as recently as July 2013 by Birss J:

> *Whatever may be the position elsewhere in the world, and how ever much various celebrities may wish there were, there is today in England no such thing as a free standing general right by a famous person (or anyone else) to control the reproduction of their image.*[94]

Thus, those seeking to restrain the use of their image where we now are must resort to other causes of action, such as breach of confidence, breach of contract, infringement of copyright, defamation or, where the circumstances allow, passing off. Passing off, however, will only offer protection in the false endorsement type case (where a celebrity supposedly encourages the public to buy a product); it will not enjoin mere merchandising (where a celebrity's image is used to enhance the attractiveness of a product to the public).[95] Celebrities are afforded no special treatment here: the classical trinity of goodwill, misrepresentation and damage must still be established. The heart of the tort remains misrepresentation. The issue will always depend on the nature of the relevant market and on the perception of the relevant customers. The reasons why a person might be moved to buy the product in question need to be considered. If they simply wish to buy an image of the pop star, there can be no misrepresentation.

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[90] *White v Samsung Electronics America* 989 F.2d 1512 (9th Cir. 1993)

[91] Aldo De Landa Barajas, "Personality rights in the United States and the United Kingdom – Is Vanna too much? Is Irvine not enough?" Ent LR 2009, 20(7), 253, citing also Welkowitz, "Catching Smoke, Nailing Jell-O to a Wall: The Vanna White Case and the Limits of Celebrity Rights" (1995) 3 J Intell Prop L 67.

[92] Aldo De Landa Barajas, see above.

[93] Compare also with the more generous approach of the Australian courts. See *Henderson v Radio Corporation* [1969] RPC 218; *Hogan v Koala Dundee* (1988) 12 IPR 508; *Hogan v Pacific Dunlop* (1989) 12 IPR 225.

[94] *Fenty & Ors v Arcadia Group Brands Ltd (t/a Topshop) & Anor* [2013] EWHC 2310 (Ch).

[95] As to the distinction between endorsement and merchandising, see the decision of Laddie J in *Irvine v Talksport Ltd* [2002] FSR 60 at para 9 where he explains: "*When someone endorses a product or service he tells the relevant public that he approves of the product or service or is happy to be associated with it. In effect he adds his name as an encouragement to members of the relevant public to buy or use the service or product. Merchandising is rather different. It involves exploiting images, themes or articles which have become famous."* See also the comments of Birss J at para 33 of *Fenty*, fn 93 above.

In *Lyngstad v Annabas Products Ltd*, where the pop group Abba objected to the defendants producing t-shirts and pillow slips bearing their images, the Court found there could be no liability, there being no misrepresentation. Oliver J did not think consumers would believe that the group had given their approval to the merchandise, but rather that they would assume "*that the defendants were … catering for a popular demand among teenagers for effigies of their idols*".[96] In *Harrison & Anor v Polydor Ltd* an objection by two of The Beatles to the use of their photos on a record of interviews they gave to a journalist was dismissed on the ground that no one would suppose that the record had been put out by or on behalf of The Beatles themselves.[97] In the *Elvis Presley* case, Laddie J said that the public would not assume that the use of the words ELVIS, ELVIS PRESLEY, or ELVISLY YOURS on toiletries and perfumes indicated any connection with Elvis's estate. When it comes to mementoes, customers are generally indifferent as to source: "*when a fan buys a poster or cup bearing an image of his star, he is buying a likeness, not a product from a particular source*".[98] Similarly no passing off was found to occur where a trader sold stickers of the Spice Girls. The people who bought the stickers were unlikely to believe the stickers were published by the band or were authorised by them.[99] These can all be said to fall within the category of the merchandising type case.

The first judicial pronouncement in the UK that the tort of passing off rendered unlawful "false endorsement" involving a celebrity came in *Irvine v Talksport.*[100] Here the Formula 1 racing car driver, Eddie Irvine, brought a claim against the UK-based radio station Talksport for using an image of him holding a portable radio on a promotional brochure. The image had been created by manipulating a photograph in which Irvine was holding a mobile phone. Irvine claimed that the brochure falsely gave the impression that he was endorsing Talksport and that consequently the distribution of the brochure constituted a passing off. Laddie J, upheld on appeal, thought there was no reason why the law of passing off in its modern form and in modern trade circumstances should not apply to cases of false endorsement (as distinct from merchandising cases): "*manufacturers and retailers recognise the realities of the market place when they pay for well known personalities to endorse their goods. The law of passing off should do likewise.*" As to the question of goodwill, Laddie J was satisfied that at the relevant time, 1999, Irvine was extremely "*hot property*" in the field of motor racing and was well known by name and appearance to a significant part of the public in the UK. Was there a misrepresentation? Yes, although the defendants had not set out to mislead the public, they intended to convey the message that Talk Radio was so good that it was endorsed and listened to by Mr Irvine. This was false. The damage was dilution/loss of licensing opportunity. This was so notwithstanding that the parties were not in competition with each other, the common field of activity doctrine having been discredited.[101] Damages of £2,000 were awarded, but increased on appeal to £25,000, being the amount which Mr Irvine would have charged for the endorsement.

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[96] [1977] FSR 62 Ch D.

[97] [1977] FSR 1 Ch D.

[98] *Elvis Presley Trade Marks; Elvis Presley Enterprises Inc* [1999] RPC 567.

[99] *Halliwell v Paninin SpA* (6 June 1997) (Lightman J). See also *Travener Rutledge v Trexapalm* [1977] RPC 275, the Kojak Lollipops case, where the "unauthorised" local lollipop retailer succeeded against the makers of the television program); and *Wombles v Womble Skip Hire* [1975] FSR 488 where the creator of the characters called "Wombles" could not restrict the unauthorised use of that name for rubbish skips.

[100] [2002] FSR 60.

[101] The decision in *McCulloch v May* (1948) 65 RPC 58, where a well-known BBC children's broadcaster could not restrain the defendant company from using his popular pseudonym "Uncle Mac" on breakfast cereals, had been discredited. See generally Phillips and Coleman, fn 38 above.

At face value, it might seem that Laddie J simply applied the orthodox ingredients of the tort. However, Carty suggests that the judge applied an extended meaning to all three ingredients, with the result that the decision can be interpreted as protection against misappropriation of fame. She explains:

> *Thus in order to prove false endorsement the claimant had only to raise a rather tenuous "association" misrepresentation. The need to show "goodwill" (customer base) appeared to have been refashioned as the need to protect the value of the claimant's "reputation" or "fame"--in other words the "grab value" of the claimant. Goodwill was thus extended to include "promotional goodwill"--"the attractive force which is the reputation" of Irvine. And the type of harm to be shown as likely became the vague concept of dilution. The judge accepted that there was no damage in the direct sense but rather "the law will vindicate the claimant's exclusive right to the reputation or goodwill". In essence the defendants had acted unfairly and were to pay for taking advantage of a reputation without paying for it.*[102]

The issue came to the fore again in a case involving Rihanna, the world famous pop star and style icon with a "*cool, edgy*" image, and fashion retailer, Topshop.[103] In March 2012 Topshop offered for sale, in its stores and online, a t-shirt bearing an image of Rihanna. About 12,000 units were sold in total. The image was derived from a photograph of Rihanna which was taken by an independent photographer when she was shooting her video for a single from her "Talk That Talk" album. The trial judge, Birss J, thought the image was "striking": Rihanna was looking directly at the camera with her hair tied above her head in a headscarf. Topshop had a licence from the photographer to use the image; but it did not have the permission of the star herself. Rihanna claimed passing off: she said a substantial number of customers would be deceived into thinking it was an authorised image and that they would buy the t-shirt in this mistaken belief. The judge found that Rihanna had "*ample goodwill*" to succeed in a passing off action of this kind. The scope of her goodwill was not only as a music artist but also in the world of fashion, as a style leader. Her trading activities include a substantial merchandising operation, carried out through separate corporate vehicles, also claimants in the proceedings. The Court heard evidence that Rihanna was working hard to identify herself as a serious fashion designer and had worked with the likes of H&M, Gucci and Armani. Notably Bravado, the company that manages her merchandising business, had not been given merchandising rights in relation to high-end fashion; these were retained by the star herself. She had also entered into an agreement to design clothing for the established high-street fashion store, River Island, which showed that her identity and endorsement in the world of high street fashion was perceived to have a tangible value. Young females aged between 13 and 30 were interested in her views about style and fashion; if Rihanna was seen to wear or approve of an item of clothing, this was taken to be an endorsement of that item in their minds. Topshop said there was no misrepresentation. There was nothing on the t-shirt or on the swing tag or other labelling which represented that it was official Rihanna merchandise and customers did not think that it was. It was different to standard pop star merchandise: it was plainly an item of fashion wear. Customers would buy it because they liked the product and the image for their own qualities and there was a definite trend in fashion for image t-shirts. There was no evidence of actual confusion. On Rihanna's part it was said that in the particular circumstances of the case, there was a

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[102] Carty, "Advertising, Publicity Rights and English Law", (2004) 3 IPQ 209.
[103] *Fenty & Ors v Arcadia Group Brands Ltd (t/a Topshop) & Anor* [2013] EWHC 2310 (Ch).

likelihood that customers would be misled. These circumstances included Rihanna's past association with Topshop and the particular features of the image itself.[104]

Birss J thought that Toshop's past collaborations with celebrities, including Kate Moss, meant that customers would not be surprised to find goods on sale in Topshop which had been endorsed or approved by celebrities. Customers would not necessarily assume that such goods were authorised, but equally they would not assume they were not. Topshop had also sought to capitalise on its connections with very famous stylish people, including Rihanna. In 2010 it ran a competition for a personal shopping appointment with Rihanna at its flagship Oxford Circus store. In February 2012 Rihanna visited the same store, this time on a shopping trip of her own. On Twitter, employees of the store wondered what she might buy. This, the judge thought, showed that Topshop recognised and sought to take advantage of Rihanna's public position as a style icon. He also had regard to the image itself. It was taken during the video shoot for "We Found Love", a track on Rihanna's "Talk that Talk" album and was similar to the official images used to promote the album. The particular video shoot, which took place close to Bangor in Northern Ireland, had attracted much media attention at the time after the owner of the land on which the shoot took place complained about Rihanna's risqué wardrobe. Birss J thought that the relationship between the t-shirt image and the official images for the album and the video shoot would be noticed by her fans. This was important: the t-shirt image was not just recognisably Rihanna, it looked like a publicity shoot for her recent musical release and her fans might well think it was part of the marketing campaign for that project. Putting all this together, Birss J said:

> *The prospective purchasers will look at this garment on sale in Topshop (or on Topshop's website). The nature of the image itself seems to me to be a fairly strong indication that this may be an authorised product, an item approved by Rihanna herself. The fact it is fashion garment and not a cheap simple merchandising blank does not act as a sign pointing against authorisation but nor is it a pointer in that direction. The fact it is on sale in a high street retailer is neutral. The fact the high street retailer is Topshop is not neutral. The public links between Topshop and famous stars in general, and more importantly the links to Rihanna in particular, will enhance the likelihood in the purchaser's mind that this garment has been authorised by her.*
>
> *The fact there is no indication of artist authorisation on the swing tag or neck label points firmly against authorisation but in my judgment that is not strong enough to negate the impression the garment is authorised. Although I accept that a good number of purchasers will buy the t-shirt without giving the question of authorisation any thought at all, in my judgment a substantial portion of those considering the product will be induced to think it is a garment authorised by the artist. The persons who do this will be the Rihanna fans. They will recognise or think they recognise the particular image of Rihanna, not simply as a picture of the artist, but as a particular picture of her associated with a particular context, the recent Talk That Talk album. For those persons the idea that it is authorised will be part of what motivates them to buy the product. I am quite satisfied that many fans of Rihanna regard her endorsement as important. She is their style icon. Many will buy a product because they think she has approved of it. Others will wish to buy it because of the value of the perceived authorisation itself. In both cases they will have been deceived.*

[104] Underhill LJ in the Court of Appeal, [2015] EWCA Civ 3, did not believe that either factor by itself would have sufficed to ground the case in passing off, and he thought that Rihanna's association with Topshop had not weighed very heavily in the balance.

This was found to be "*obviously*" damaging to Rihanna's goodwill, the damage being the sales lost to her merchandising business and the loss of control over her reputation in the fashion sphere. Birss J commented that the fact that the t-shirt was a high quality product could not negate that aspect of the damage: "*It is a matter for [Rihanna] and not Topshop to choose what garments the public think are endorsed by her.*" While Birrs J accepted that the mere sale by a trader of an article bearing the image of a famous person is not, without more, an act of passing off, he held that "*the sale of this image of this person on this garment by this shop in these circumstances*" was a different matter. The remedy was an injunction, upheld on appeal, prohibiting Topshop from dealing in the t-shirt any further without clearly informing prospective purchasers that it had not been approved or authorised. The form of the injunction was recognition that the vice in the impugned activities lay not in the use of Rihanna's image, but in using it in such a way as to cause a misrepresentation.[105]

So where do these cases leave us in Ireland and in Britain? Are we closer to the US position? Do we want to be? Carty suggests that *Irvine* shows the scope for manipulation of the tort away from misrepresentation and the public interest to misappropriation and the protection of fame *per se*. If the tort is to apply to false endorsement claims, there must be an endorsement in a real sense. Otherwise there can be no material reliance and no harm to promotional goodwill. The facts must demonstrate that the product is being endorsed, and not simply that the celebrity is being used. Carty wonders was this really the case in *Irvine*, and indeed we wonder whether it was in the Rihanna case. She refers to the "*misappropriation feel*" of the case, with the judge castigating "*squatting*" by the defendants who "*exploited*" Irvine's fame, and his focus on dilution. She wisely cautions: "*if this central requirement is applied in a vague way to mean a false implication that there is "some association" or financial link between the celebrity and the advertised product or service or indeed if the requirement for a misrepresentation is dropped in favour of protecting against unpaid use of the celebrity for attention-grabbing then true passing off is not involved.*" Such cases are closer to merchandising than endorsement and there can be no liability in passing off for mere merchandising. Indeed it seems to us that the Rihanna case is more properly to be considered a merchandising or icon case: Rihanna was the product; her image on the t-shirt was the point of the product and the reason for its purchase. Carty concludes:

> *… where celebrity persona use is involved only "informational advertising use" merits legal protection. There is an acceptable use of the tort of passing off where real endorsement is being misrepresented in the advertising. Liability is justified because the defendant's apparently useful consumer information is likely to be relied upon, harming both celebrity and public alike. Merely taking something of value without paying is not a good reason to interfere with an unauthorised use of a celebrity persona. Harm (based on established torts, though primarily passing off) not unjust enrichment should be the key to liability. The regrettable acceptance of the commercial magnetism of trade marks in registered trade mark law--protecting the stronger marks most rigorously--is no reason to extend the common law in a similar fashion to protect the commercial magnetism of celebrity.*[106]

Instruments of deception

Internet domain names dominate the marketplace in consumables and in travel and have become the new high-street down which those with a will to purchase now wander. It is not surprising that these are zealously protected. Registration has encompassed national suffixes such as '.ie' or '.co.uk' or '.hu' or '.cz' and since 2006 '.eu' and most recently

[105] [2015] EWCA Civ 3, per Kitchin LJ at para 48.
[106] Carty, fn 101 above.

domains entirely defined in Chinese or Arabic which do not need to use Roman letter designations. The tort of passing off does not need a confused ultimate consumer. It is all about fairness to the actual holder of existing goodwill. Cases in the 19th century established the principle that passing an instrument of deception to a middleman knowing that it would likely be used in the marketplace ultimately to confuse consumers allowed equity to step in and injunct both the manufacturer of the infringing product and the holder against even putting those goods out for ultimate sale.[107] We are not sure whether the intellectual foundation for this was the simple application of the joint tortfeasors liability doctrine or whether equity protected against an unfair practice. As with so much, as the law of passing off develops new rules become established and it no longer matters and, more importantly, is no longer challengeable. Thus, shipping whiskey to South America for blending with native spirits and applying a process for waving hair that is not the branded process of the plaintiff are actionable.[108] Thus identifications with the goodwill of the plaintiff apart from branding, packaging and general get-up can furnish proof of confusion, or in the case of internet domain names, that instruments of confusion should be acted against. It is not essential, and it was never essential, that an ultimate consumer actually buy the product out of confusion that it was produced by the plaintiff.

In modern internet commerce, the leading decision is *British Telecommunications v One In A Million.*[109] There the defendants registered the names likely to be associated with British Telecom in order to extract funds for purchase from the plaintiff. The triple principles to address this situation are sufficiently flexible: reputation as a result of goodwill in the marketplace; misrepresentation by a defendant leading to real or potential confusion; and damage. The tort is that adaptable. Aldous LJ analysed the prior cases, essentially instruments of deception cases passing from a manufacturer to a middleman, and stated:

> *In my view there can be discerned from the cases a jurisdiction to grant injunctive relief where a defendant is equipped with or is intending to equip another with an instrument of fraud. Whether any name is an instrument of fraud will depend upon all the circumstances. A name which will, by reason of its similarity to the name of another, inherently lead to passing off is such an instrument. If it would not inherently lead to passing off, it does not follow that it is not an instrument of fraud. The court should consider the similarity of the names, the intention of the defendant, the type of trade and all the surrounding circumstances. If it be the intention of the defendant to appropriate the goodwill of another or enable others to do so, I can see no reason why the court should not infer that it will happen, even if there is a possibility that such an appropriation would not take place. If, taking all the circumstances into account the court should conclude that the name was produced to enable passing off, is adapted to be used for passing off and, if used, is likely to be fraudulently used, an injunction will be appropriate.*
>
> *It follows that a court will intervene by way of injunction in passing off cases in three types of case. First, where there is passing-off established or it is threatened. Secondly, where the defendant is a joint tortfeasor with another in passing off either actual or threatened. Thirdly, where the defendant has equipped himself with or intends to equip another with an instrument of fraud. This third type is probably a mere quia timet action.*

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[107] *Johnston v Orr-Ewing* (1882) 7 App Cas 219.
[108] *John Walker v Ost* [1970] 1 WLR 917 and *Sales Affiliates v Le Jean* [1947] 1 All ER 287 and the cases therein cited and see Fleming's, *The Law of Torts*, fn 2 above, at pp 804-805.
[109] [1999] 1 WLR 903 and see Clerk & Lindsell, fn 32 above, at para 26-02.

The principle is of general application. In *Lifestyle Management v Frater* [2010] EWHC 3258 (TCC), Edwards-Stuart J injuncted a Scottish company which deliberately registered domain names similar to those of Lifestyle Management and in addition set up at least one of these websites to bear a very close resemblance to its active trading website. Lifestyle Management had registered the domain name "offshorelsm.com" but Frater, the defendant, had registered the domain names "offshorelsm.net", "offshorelsm.org" and "offshorelsm.co.uk". Perhaps it was the demand for funds or the presence of what the judge thought was uncomplimentary material about the plaintiff that secured the injunction. Whatever, the decision was short, indicating application of a general principle:

> *Whilst the facts of this case are not the same as those in One in a Million, it seems to me that the essential ingredients of a deceptive use of a company name with an acquired goodwill in order to damage the owner of that name are present here.*

As time goes on, perhaps new realms of commerce to which the tort of passing off may adapt will emerge. But, adaptable it is if it is anything.

Account of profits anomaly

For a successful plaintiff, there is a choice: an election may be made by a wronged plaintiff between a remedy in damages and an account of profit.[110] Why should there be such an election? It does not apply in trade marks or copyright, but here the choice is deeply imbedded in the case law. Also part of Irish law, and possibly that of England and Wales as well, even in relation to breach of contract is the principle of not allowing a defendant to take advantage of his wrong. Thus, where a defendant deliberately breaks a contract with a conscious view to making a profit for himself, such profit will be recoverable by the wronged plaintiff; *Hickey v Roches Stores.*[111]An account of profit and loss is an equitable remedy and this explains why a plaintiff has this unique choice. To this election there appears to be one exception. Where an injunction is sought for passing off but is not granted on the discretionary basis that damages are an adequate remedy, the plaintiff will be left without the choice of an account in compensation for the tort. In *Falcon Travel Ltd v Owners Abroad Group plc, t/a Falcon Leisure Group* the defendant was a major tour operator abroad. On penetrating the Irish market the defendant discovered that it had a similar name to the plaintiff, a retail travel agent in Dublin and Wicklow.[112] Murphy J held that while there had been appropriation of goodwill and that while reputation was a property right which would ordinarily be properly safeguarded by the grant of an injunction, the circumstances of confusion could be overcome by the award of such damages as would fund a public relations campaign which would explain to both the public and other professionals in the travel agency business the difference between the parties.

Actual damage is integral to the definition of injurious falsehood and thus special damage must be proved.[113] Proof of actual damage is not a proof integral to passing off.[114] In the

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[110] *House of Spring Gardens Ltd v Point Blank Ltd* [1984] IR 611 at 706 per Griffin J citing *Peter Pan Manufacturing v Corsets Silhouette Ltd* [1964] 1 WLR 96 at 106 per Pennycuick J and see *Edelsten v Edelsten* (1863) 46 ER 72 and *Weingarten Brothers v Bayer & Co* [1904-07] All ER Rep 877 at 880 per Lord MacNaghten.

[111] *Hickey & Co Ltd v Roches Stores (Dublin) Ltd (No 1)* (Unreported, High Court, Finlay P, 14 July 1976) and *Hickey & Co Ltd v Roches Stores (Dublin) Ltd (No 2)* [1980] ILRM 107.

[112] [1991] 1 IR 175.

[113] Fleming's, *The Law of Torts*, fn 2 above, at pp 798 to 799.

[114] Ibid 802.

Falcon Travel case, Murphy J gave a very liberal interpretation to what damages might consist of:

> *In my view the defendant is correct in saying that a plaintiff in an action for passing off must establish damage or the likelihood of damage but I am convinced that the defendant is mistaken as to what is involved in the word "damage" in that context. No doubt it will be possible to establish in many actions for passing off (particularly when the passing off relates to the goods of the plaintiff as opposed to his business) that the result of the defendant's conduct is to induce members of the public to purchase from the defendant goods which the customer believed to be of the plaintiff's manufacture thus "diverting to himself orders intended for and rightfully belonging to the plaintiff" (see the analysis by Kenny J in C&A Modes v C&A (Waterford) Ltd [1976]* IR *198 at p 215). Not only might this occur but clearly this is what would be intended in the case where fraud or deceit (though not required for the tort) is in fact present. Again nobody would doubt that damage is established where the wrongdoer gains business by his improper conduct even though there is no corresponding loss to the plaintiff. Similarly if it were to happen that the plaintiff suffered a loss of business without any corresponding gain to the defendant, this too would be an observable and perhaps measurable loss to the plaintiff. However it seems to me that these three categories of loss are no more than the consequences of the wrongful (though perhaps unintentional) appropriation by the defendant of the goodwill of the plaintiff in its goods or business and it is this appropriation of goodwill which constitutes the damage necessary to sustain an action for passing off.*[115]

The situation is anomalous. It is only the plaintiff who has the choice. This may be unfair. In several Anglo-American jurisdictions, a choice is often given by legislation to the trial judge to adopt the appropriate remedy where a breach of intellectual property is established.[116] As to when the choice ought to be made, Charleton J in *McCambridge Ltd v Joseph Brennan Bakeries* made this observation:

> *… where there has been an egregious misuse by a rival in the marketplace of the attributes of a product enabling an award of aggravated or exemplary damages or where a potentially excellent firm has been caused to collapse through this form of tortious competition or where an examination of the accounts of a tortfeasor shows no profit, a wronged plaintiff might reasonably elect for damages instead of an account of profit. There is perhaps also the instance where an injunction quia timet is taken on notice that passing off is imminent. There, there is no room for an account of profit since none will have been made. Instead the appropriate remedy is in damages.*[117]

Is the plaintiff always to be allowed to pursue an account of the defendant's profits trading on his goodwill? After all, extra buoyancy in the marketplace may be achieved through the defendant's advertising campaign, benefiting both. There is authority in a breach of confidence case for the proposition that where a plaintiff has opted for an account of profit but, on analysis, if the judge hearing the issue considers that the remedy is inequitable in all of the circumstances, damages may be ordered in lieu.[118] Equity, and an account is an equitable remedy, should not do what is inequitable: classically – he who seeks equity must do equity.

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115 [1991] 1 IR 175 at 182.

116 For instance see *Sheldon v Metro-Goldwyn Pictures Corporation* (1940) 309 UK 390 and *Zupanovich v B&N Beale Nominees Pty Ltd* [1995] RCA 1424, which are both copyright cases.

117 [2014] IEHC 269, (Unreported, High Court, Charleton J, 27 May 2014), at page 5.

118 *Walsh v Shanahan* [2013] EWCA Civ 411; *Hollister Inc & Anor v Medik Ostomy Supplies Ltd* [2012] EWCA Civ 1419.

On the one hand, England and Wales: that jurisdiction has the decision in *Woolley and Timesource Ltd v UP Global Sourcing UK Ltd & The Lacmanda Group Limited*.[119] There, Judge Pelling QC of the Chancery Division reasoned that the profits from all goods bearing a brand of the goodwill of the plaintiff were to be captured in equity. Here, it was the attribution on watches of a name which was "*virtually identical*" and was such as to "*be perceived as such by all, or almost all, prospective customers*" as that of the legitimate holder of the goodwill in the brand. Judge Pelling QC rejected the proposition that there should be an analysis as to how much profit was made through the attribution of the brand and how much of that profit would probably have been made anyway. He rejected such an approach as virtually impossible to take and this despite being invited to assess the relevant accounts on a broad-brush approach. Such an exercise would be impractical, he said. Since, the learned judge reasoned, the tort required a substantial number of consumers to be misled for liability to be found for a plaintiff, cases on mixed products or on products bearing the brand and not bearing the brand did not apply. An appeal was either dismissed or withdrawn by the appellant.

On the other hand, we have Ireland. Here the remedy in an account is very much restricted. Yes, you can choose an account if you win as plaintiff, but, your return will certainly be different to damages in the sense that you will be getting the defendant's profits and not your own loss, but only such profits as were made from the exercise. How is that possible, Judge Pelling QC rejecting such an exercise as impractical? Well, courts are used to doing almost impossible damages exercises. Among the questions are: what was the degree of confusion, it has to be substantial, but was it 1:2 or 1:5; where does the undiscerning customer fit in; and where are the charts showing dips in the plaintiff's sales or boosts to the defendants? This, broadly, was the approach of the High Court in *McCambridge Ltd v Joseph Brennan Bakeries*.[120] There had been plenty of authority for that kind of approach in other jurisdictions in analogous intellectual property remedies. The United States Supreme Court derived that approach from patent decisions and in particular the statement in *Westinghouse Electric & Manufacturing Co v Wagner Electric Co* where the same court ruled that "*if plaintiff's patent only created a part of the profits, he is only entitled to recover that part of the net gains.*"[121] As to impracticality or even impossibility of assessment, Hughes CJ ruled:

> *We see no reason why these principles should not be applied in copyright cases. Petitioners cite our decision in the trademark case of Hamilton-Brown Shoe Co v Wolf Brothers (1916) 240 US 251, but the Court there, recognizing the rulings in the Westinghouse and Dowagiac cases, found on the facts that an apportionment of profits was "inherently impossible." The burden case upon the defendant had not been sustained. … Where there is a commingling of gains, he must abide the consequences unless he can make a separation of the profits so as to assure to the injured party all that justly belongs to him. When such an apportionment has been fairly made, the copyright proprietor receives all the profits which have been gained through the use of the infringing material, and that is all that the statute authorizes and equity sanctions.*

In Australia, a similar approach was taken by the Federal Court in *Zupanovich Pty Ltd v B&N Beale Nominees Pty Ltd*.[122] There it was copyright in builder's plans. After an analysis of various authorities at paragraph 70, Carr J stated:

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119 [2014] EWHC 493.
120 [2014] IEHC 269, (Unreported, High Court, Charleton J, 27 May 2014).
121 (1912) 225 US 604.
122 [1995] FCA 1424.

> *If upon the taking of the account in this matter the respondents are unable to establish that the whole of the profit (if any) made by Beale Nominees was not attributable to the infringement of the copyright in the drawings and the applicant's buildings then the result will be an order that they pay all of those profits to the applicant. To the extent that the respondents are able to establish that factors other than such infringement caused such profit then they will only have to account for a lesser amount. The relevant comparison would appear to be between the profits which Beale Nominees would have made if it had not used the drawings and the profits which they did in fact make. That is my provisional view but the matter will have to be decided in the course of taking the account of the profits. If that view is correct then as Millet J observed in Potton Ltd "in practice this will come to the cost of commissioning similar drawings from another source.*[123]

In patent cases, naturally it may be only a tiny section of a product that infringes, a particular form of SIM card in a mobile phone. Then, it has been recognised that complete profits resulting from the sale of that article are not appropriate: *Celanese International Corporation v BP Chemicals Ltd*.[124] In that case, it was a method of production that was patented and the unauthorised use of it gave an entitlement to an equivalent share of profits, it not mattering that the same product might have been arrived at had a non-infringing approach been used. It can be the case, Laddie J recognised, that an entire article is made through infringement; in which case the entire of the profits are part of the account. He cited Windeyer J in *Colbeam Palmer Ltd v Stock Affiliates Pty* [1968] HCA 50, cited in *Dart Industries inc v Décor Corp Pty Ltd* [1994] FSR 567 at 580:

> *If one man makes profits by the use or sale of some thing, and that whole thing came into existence by reason of his wrongful use of another man's property in a patent, design or copyright, the difficulty disappears and the case is then, generally speaking, simple. In such a case the infringer must account for all the profits which he thus made.*[125]

Concluding a similar principle in relation to passing off avoids unjust enrichment and the impossibility of assessment argument avoids what can amount to a penal approach. In the *McCambridge Limited v Brennan Bakeries* case, the Irish High Court ended with a series of propositions:

1) *If through legislation a wronged plaintiff in an intellectual property case is enabled to choose either damages or an account of profits, or if that choice is left to the court on making a finding of liability, it is a matter of statutory construction as to how the court proceeds as to the choice of remedy …*
2) *Since an account of profits is an equitable remedy, restorative rather than punitive, it may be refused by the court if the result is unfair (Walsh v Shanahan [2013] EWCA Civ 411) but at common law a wronged plaintiff in intellectual property actions, particularly passing off, retains the right to seek an account of profits as opposed to damages though, as a separate equitable principle, damages may be declared the proper remedy by a court in refusing an injunction application …*

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[123] Ibid at para 70.

[124] [1990] RPC 203.

[125] *Palmer Ltd v Stock Affiliates Pty* [1968] HCA 50 cited in *Dart Industries inc v Décor Corp Pty Ltd* [1994] FSR 567 at 580.

3) *The form of account of profits in trade mark cases is ordinarily for the entirety of the profits made on articles or services wrongly bearing the mark … though instances exist where even a trade mark owner cannot fairly claim the entirety of profits …*
4) *Some passing off cases are close to trade mark cases as to their colourable nature and the blatant approach of the tortfeasor, hence, in those circumstances there is little warrant for seeking a nuanced approach of division of profits …*
5) *Where in patent cases the profit results only partially from the use of the process as part of a wider manufacturing or production system, only the portion of profits properly attributable to that wrongful misuse are recoverable as an account of profits ...*
6) *Copyright mandates a similar approach. The reasoning of basic fairness underpinning this equitable remedy of an account of profit generates that nuanced approach …*
7) *Ordinarily, where a new product is put on the market and passed off by a defendant who has never produced that product before as that of the plaintiff, or where the expiry of a licence to use indicia of goodwill has been deliberately ignored, the measurement of an account tends to be all profits …*
8) *There are neither reasons of policy or of legal analysis which enables the proper approach to an account of profit in passing off to be treated differently from patent, copyright or trade mark cases, though the statutory foundation on which each of these is based may require particular cases to be treated differently. It would offend common sense to claim, for instance, that because a hotel used a name associated with a protected mark that all the profits of everyone who stayed there are those of the owner of that goodwill and it is to be noted in relation to passing off that such a claim was not made in* Hotel Cipriani SLR v Cipriani (Grosvenor Street) Ltd *[2010] EWHC 628.*
9) *Depending of the facts, passing off may be approached differently as to a product already made by the defendant and then got up so that it may be seen as calculated to deceive or where it is clear that only a proportion of the customers switching to the product passed off in infringement of the plaintiff's entitlement to its goodwill and there the approach may be a nuanced one of part of the profits only …*
10) *Though intention has long since ceased to be part of the ingredients of the tort of passing off, provable malice may make it more worthwhile for a plaintiff to seek damages than the equitable remedy of an account of profit because damages in those circumstances can be, but need not be, aggravated or exemplary.*
11) *A broad approach to apportioning profits should be taken by a court, remembering that the plaintiff is the wronged party and that obscure argument by economists is not what drives consumption in the marketplace.*
12) *Apportioning profits is not an impossible task. Jobs as hard in damages are done every day by the courts. Primarily, profit levels before and after should be considered as should the make up of the offending goods and the probability of the confusion resulting as to what proportion of customers.*

Time will tell how well these principles stand up in later litigation in England and Wales or perhaps elsewhere. The parties settled that case just as the judgment was handed down, so there was no appeal.

Conclusion

Trade mark infringement was a tort at common law. Since the trade marks legislation in Britain[126] and Ireland[127] and the unified Directives in the European Union, passing off

[126] Initially the Trade Marks Act 1938 and now the Trade Marks Act 1994.
[127] The Trade Marks Act 1996, the EU purpose of which emerges from the long title as being similar to the British motivation: an Act to make new provision for registered trade marks, implementing Council

has become the dominant residual cause of action for injunctive relief where a mark is unregistered or where one seeks to protect goodwill as a propriety right. Copyright differs, as remedies there concern themselves with precise forms as opposed to the fleeting impressions of those who "*want beer and not explanations*."[128] As a remedy, copyright will protect an author from false attribution of a literary or artistic work. Passing off will do the same but only after an analysis to establish reputation: and if the attribution is of personality, litigation enters the realm of guess-work where more and more the common law is moving towards the American and Canadian right of publicity. That form of legal protection is not patentable, registrable or capable of definition in form. Yet, protection is there; cynics may say for the big firm or the big personality at the expense of competition. We would not join in that comment; goodwill is expensive to build up in a marketplace and good products will find consumers without cheating. Both the tort of passing off and trade mark actions have nothing to do with protecting the consumer against misrepresentation or inferior products: rather both are about defending the goodwill attached to products and services. The tort of trade mark infringement, which later assumed statutory form and Europe wide legislation is really not similar to passing off. The differences between trade mark enforcement by legislation and passing off are summarised by Professor Heuston thus:

1) *Passing off does not recognise a monopoly, as does trade mark registration, rather passing off is about "damage done to the plaintiff in his business by the deceptive mode in which the defendant carries on his own."*
2) *Passing off can be used as a weapon in litigation broadly, beyond anything to do with a mark and can encompass imitation of packaging or even the attribution of personality.*
3) *Passing off only protects established lines of business from predatory practices that confuse consumers but trade mark protection is fixed from the registration.*
4) *An action for trade mark infringement "may be simpler and less costly" since it avoids the practical difficulties of proof that the defendant's "mode of conducting business is bound to cause confusion."*[129]

Practice has shown that he is correct in the implied criticism in the last point. As Professor Fleming points out, while the formulation of the tort is "*essentially modern*", nonetheless prediction of outcome continues to evade practitioners swamped in mounds of case law because passing off's "*potentialities for growth [are] not yet exhausted.*"[130]

All of the challenges faced relate to what some have praised as the flexibility of the remedy. Some would say that in a number of areas, passing off has the potential to go in several directions and that it takes the hard earned cash of clients to demonstrate where. Most subject to shifts in unforeseeable directions are: character merchandising; instruments of deception as opposed to actual confusion establishing liability; whether deception is merely a useful element of proof or a definitional element of the tort; how goodwill can in an information age be inter-jurisdictional despite almost no penetration into the market that the plaintiff wishes to protect; and how an option in damages or an account, capturing either all profits using the mark or only the proportion resulting from

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Directive No 89/104/EEC of 21st December 1988, … to make provision in connection with Council Regulation (EC) No 40/94; to give effect to the Madrid Protocol relating to the international registration of marks of 27th June 1989 and to certain provisions of the Paris Convention for the Protection of Intellectual Property of 20th March 1883, as revised and amended; to permit the registration of trade marks in relation to services and for connected purposes of 16th March 1996.

[128] *Montgomery v Thompson* [1891] AC 217 at 225 per Lord Macnaughten.

[129] RFV Heuston – Salmond on the Law of Torts (London, 1977) (17th ed) at p 407.

[130] Fleming's, *The Law of Torts*, fn 2 above, at para 30.270.

confusion, survives 150 years after the fusion of law and equity at the option of a successful plaintiff.

Where similar build-ups of cases have led in the past is to legislation. Here, the pressure on the dam is perhaps not so great as in other areas of law that have thrown up anomalies and mutations of settled principles. If there is a reason for this it is the very flexibility of passing off. Where domain names are deliberately made similar to those of established brands; where fake apparent endorsements spring up from goods and services with no relationship to their celebrity champion; where proof of deception is impossible but those in need in the marketplace are confused; where your competitor takes your packaging and looks for an escalator ride to profits: you have your remedy. And you may wonder why? Well, it seems to the practitioner that the answer really is because law takes a back place in the fusion of equity and tort that represents the passing off action in real life litigation. The tort is all about what is fair: you build up goodwill, someone else makes their product look like yours; they steal, let's be nice it might be an accident, the plaintiff's attributes; there is confusion, at least; the packages are produced to the judge and it is her or his educated response to facts that drives the definition of the remedy: perhaps more so than the law.