CHAPTER FIFTEEN

The Tort of ‘Passing Off’

I. Introduction

[15:01] The tort of Passing Off arises when a customer is misled as to the origin of goods or services and as a result of that misleading of the customer, another supplier’s business suffers. Passing Off is classified therefore as an economic tort, as the resultant harm does not cause actual physical loss, but economic loss to the supplier who has lost a customer due to the defendant’s acts and can occur when a person sells goods, or carries on business under a name, mark or description in such a manner as is likely to mislead the public or likely to trick them into believing that the goods or business is that of another person. The rationale for the tort is relatively straightforward and was clearly set out in the case of Polycell Products Ird. v O’Carroll & Ors by Budd J. as follows:

“[The tortious conduct] injures the complaining party’s right of property in his business and injures the goodwill of his business. A person who passes off the goods of another acquires to some extent the benefit of the business reputation of his rival trader and gets the advantage of his advertising.”

[15:02] There has generally been some expectation that the usefulness of the tort would fall off due to the increasing availability to trade mark protection. But, as McMahon & Binchy note, “[over] the last seventeen years, it seems the tort of passing off is holding its own as a litigation strategy”.

[15:03] The final preliminary point of note is that passing off actions often involve the seeking of an injunction as a remedy, i.e. an order preventing the Defendant from ever again using the offending material (name/advertising/packaging). Often, an application will be made for an interlocutory injunction at an early stage in the proceedings. Some of the judgments that have been delivered in the field of passing off have been given at this early, interlocutory stage, with the effect that they do not speak directly to the main issues at stake in the action itself and are rather more concerned with the rules around the granting of injunctions (see below for a synopsis on these rules). These cases should not be mistaken for full decisions on passing off, as the assessment of factors that would be important in a full decision is often at shallower in cases of this sort.

II. Elements of the tort: what must a plaintiff prove?

[15:04] There had been considerable debate in the law of passing off as to whether it was best described as having a five-limb or a three-limb test. At least insofar as Irish law is concerned, the matter was settled by the recent Supreme Court decision in McCambridge Ltd v Joseph Brennam Bakeries. In that case, the Court clearly favoured a three stage test:

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1 [1959] Ir Jur 34
“[T]he applicable criteria for establishing passing off are to be found in the “triple test” laid down by the House of Lords in Reckitt and Coleman Products Limited v. Bordan Inc. […]”

This test was approved by […] Clarke J. in Jacob Fruitfield Limited v. United Biscuits (UK) Limited [2007] I.E.H.C. 368. In Jacob Fruitfield the latter judge paraphrased the three elements of the test as being:

(a) the existence of a reputation or goodwill in the claimant’s product including, where appropriate, in a brand name or get up;

(b) misrepresentation leading to confusion between what is alleged to be the offending product and the claimant’s product; and

(c) whether damage to the claimant’s goodwill or reputation by virtue of any such confusion has been established.”

The Court went on to analyse the evidence in that case under those three headings though McMenamin J, giving judgment for the Court, did point out that

“no element of the triad is entirely freestanding. The three tests are best seen as being standpoints for considering the overall question as to whether or not passing off has occurred.”

III. Reputation or Goodwill

[15:05] As can be seen above one of the key aspects of the tort is to establish that the Plaintiff has a reputation and/or goodwill in his own product or service. The plaintiff must therefore show that a name, brand-name/mark, packaging, design or an advertisement has become distinctive of their goods and that a reputation has attached thereto. Goodwill itself has been defined by the courts as the ‘attractive force that brings in custom’ and can attach to the product’s name, design, packaging or advertising.

(i) Timing of reputation and/or goodwill

[15:06] One preliminary consideration, whatever the source of the goodwill — name, packaging, etc. — is that the goodwill must exist at the time of the alleged passing off. Where a plaintiff has ceased trading no action for passing off will lie unless there is some residual goodwill.

In Sutherland v V2 Music Limited the Plaintiffs, the members of a 1990s funk band named “Liberty”, claimed passing off against a pop-music band who were reality TV show runners-up who were attempting to use the name Liberty. Despite the fact that the original band were no longer active, it was held that they had sufficient residual goodwill to ground a claim. In the circumstances, the pop group was forced to change its name to Liberty X.

(ii) Geographic considerations

[15:07] A second preliminary consideration is one of geography. Some decisions had indicated that in order to claim goodwill in a particular jurisdiction, one must have a trading base within the jurisdiction. Thus in the Crazy Horse Saloon case, the owners of the famous Paris night-spot

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4 Per Lord MacNaughton in Inland Revenue Commissioners v Muller & Co Margarine Ltd [1901] AC 217
5 [2002] EMLR 28
6 Bernardin v Pavilion Properties [1967] RPC 581

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were refused relief under passing off against a London-based Crazy Horse bar because the former did not trade in the jurisdiction.

[15:08] While the Courts in England continue to grapple with the issue, it would seem that the Irish Courts have simply recognised that goodwill can cross borders. In the case of C&A Modes v C&A Waterford Limited7 the plaintiff carried on a retail clothing business with a chain of 65 stores throughout the UK, including one in Belfast, and used C&A as a symbol for their business (being the initials of its two Dutch founders). The defendants adopted the name C&A (Waterford) Ltd for their retail drapery business. They owned at least one van which had printed on its side in very large white letters the mark C&A, with the words Waterford Ltd, in very small letters underneath it. The letters and symbol being identical to the letters and symbol C&A used by the plaintiff for all its trading and advertising purposes. The plaintiff sought an injunction restraining the defendants use of the logo “C&A”. The defendants argued that as the plaintiff had never traded in Ireland they had no reputation/ goodwill in Ireland, and therefore a passing off action could not succeed.

[15:09] The Court ruled that a passing off had in fact taken place as a substantial number of people from the Republic frequented the store in Belfast (and up until the beginning of the troubles in the North in 1969 an excursion train was run to Belfast every Thursday for the specific purpose of shopping) and because of the widespread advertising run by C&A in English newspapers and magazines circulating in Ireland, and on UK television, which was available in Ireland, the plaintiff could be said to have acquired goodwill within the State.

[15:10] The Irish approach would seem more reasonable in a world where communication from one side of the world to the other occurs in split-seconds and where the internet has contributed to a widespread exposure to advertisements and products regardless of jurisdiction. It would have been slightly ridiculous to argue, prior to the opening of the Abercrombie & Fitch store in Dublin, that the brand had no reputation or goodwill in this jurisdiction.

(iii) How is goodwill and reputation acquired and measured

[15:11] As Quill has noted, the name of a business, product, or service will usually serve as a point of distinction between it and its competitors. In C&A Modes, the Plaintiff was held to have goodwill and reputation in the name C&A which had been gained through advertising.

[15:12] In the case of Guinness Ireland Group v Kilkenny Brewing Company Limited8, the Plaintiff was held to have built up a reputation and goodwill in the use of the name “Kilkenny” in relation to its red ale product. In coming to that conclusion, the Judge had regard to the following factors:—

- The product had been available since 1987, initially in Germany but subsequently throughout Europe.
- It was launched on the Irish market in July 1995. The Irish launch was accompanied by a very intensive promotional campaign, costing £1.1 million initially. The campaign was successful and the measure of its success was that between July 1995 and December 1995 the sales volumes achieved had a retail sales value of £1.8 million.
- By May 1996, the product was in 841 public houses in Ireland and had generated a further £2 million in sales.
- The evidence established that even before the launch patrons in licenced establishments in Ireland asked for the product, which in the market was just known by the name “Kilkenny” and was ordered as a “pint of Kilkenny”.

8 [1999] 1 ILRM 531
As well as illustrating the factors that a court will find persuasive in deciding whether a trader has goodwill or reputation in a name, the case shows that, through usage, a particular trader may gain reputation in relation to a geographic place name. Similarly, in *Muckross Park Hotel Ltd v Randles* the Court held that a geographic place-name could acquire a secondary meaning in relation to a particular product or service. On the evidence, the Court was satisfied that the name ‘The Muckross’ had a considerable value, which was the number of people who knew it and knew what it stood for; which was of a similar nature to goodwill.

In *An Post v Irish Permanent* the Defendant launched a financial product to be called a “savings certificate”. The Plaintiff had for 65 years marketed a government backed financial product also under the name “Savings Certificate” and they said that they had done £2 billion in business in those products in the three years prior to the proceedings. The case itself was taken at the interlocutory stage, and the Judge made no finding on goodwill or reputation, but the case is a useful example of factors that might be relevant in determining whether a name had acquired goodwill or reputation.

It is not possible to gain reputation in a generic name, however. In *Box Television v Haymarket Magazines* the Plaintiff operated a cable TV Music Channel called “The Box”. Viewers could select music videos by means of a telephone call. It targeted the 16 to 34 age group and was described as a cult channel at the cutting edge of the pop music industry. The defendants, the publishers of a large number of magazines, and who had not known of the existence of the Box channel, had decided to launch a television magazine called “The Box”. It had done market research and run dummy issues. The Plaintiff sought an interlocutory injunction, so the question before the Judge was whether there was a serious issue to be tried. In concluding that there was not such a serious issue, he rejected the submission that the plaintiffs had built up a reputation and goodwill in the name “The Box”. The term was descriptive he felt, and in the wider context “The Box” simply meant the television.

In *Coca-Cola Company v AG Barr & Co.* the plaintiff’s distinctive bottle shape was considered to be protected under the tort of passing off as it was borderline iconic and was the basis of the product’s marketing and consistency of design since the soft drink first launched in 1886. Thus, as the caselaw in relation to misrepresentation will further illustrate, reputation and goodwill can arise in relation to a brand name, packaging, advertising, and so on.

It is worth noting of course, that there would appear to be a correspondence between the degree of reputation and goodwill which can be shown to exist and whether a misrepresentation gives rise to a likelihood of confusion. So, while a brand making a niche product might be said to have some limited reputation, it will be difficult for it to show a likelihood of confusion with another product in a distinct or less-niche field.

**IV. Misrepresentation leading to confusion**

In *McCambridge Ltd v Joseph Brennan Bakeries* the Supreme Court said that:

“The critical point is whether the presentation or packaging of the product leads, or is likely to lead the public, to believe that another manufacturer made the product in question.”
Later he put the position in relation to misrepresentation leading to confusion in the following terms:

“For the threshold to be met, it is sufficient that a defendant represents its goods in such a way that it is a reasonably foreseeable consequence that the claimant’s business or goodwill will be damaged. As outlined earlier, proof of intention to deceive is not required. A claimant may prove misrepresentation by calling evidence that the relevant public were in fact confused, but may also succeed in a case where there is no such evidence. The overall impact of the get up is the litmus test, as well as the length of time the conduct complained of has gone on. It will not be answer to a complaint of misrepresentation to contend that an observant person who made a careful examination, or who compared both products side by side would not be misled. The test is, rather, the impression likely to be produced, on the likely customer, taking into account customer perception and imperfect recollection.”

[15:18] A number of important points can be gleaned from these passages. First, an intention to deceive or mislead on the part of the Defendant is not required. Thus, a person can be guilty of passing off while behaving entirely “innocently” in the sense of any moral blame attaching to their conduct. It will not then be a Defence to an action for passing off for a Defendant to say that he was not aware of the Plaintiff’s brand.

[15:19] Second, the test to be applied in deciding whether there is a likelihood of confusion is to consider the situation from the point of view of the likely customer, taking into account “customer perception and imperfect recollection”. Applying similar logic, in Tattinger v Allbev\textsuperscript{14} the Court of Appeal held that selling a carbonated beverage under the name “elderflower champagne” and in a thick bottle with a mushroom cork risked confusion with the sparkling, alcoholic, French drink from the Champagne region of France. This was so because, while the sophisticated consumer of the Plaintiff’s products might know better, the average shopper coming across the Defendant’s product might well be confused.

(i) Confusion in names

[15:20] In the C&A case\textsuperscript{15}, the use of an identical name in respect of the same or similar goods was likely to give rise to confusion. The situation is more complicated when dealing with similar rather than identical names.

In Allergan Inc & Anor v Ocean Healthcare Ltd\textsuperscript{15} the plaintiffs claimed that its Botox product had become a household consumer name. Botox was a prescription only product with therapeutic and cosmetic applications. It had to be prescribed by a medical practitioner, could only be provided from a pharmacy, and was administered by syringe. The Defendants produced an anti-wrinkle cream called Botoina. Discussing the ways in which a name could give rise to confusion, McGovern J, identified the following different areas of consideration:

(a) Visual similarity — here the Judge referred to the way in which the two name would look if printed on paper. In this case, the first four letters were visually identical.
(b) Aural similarity — in this context what was to be considered was how the names would sound. In this case, there was a phonetic similarity.
(c) Conceptual similarity — this was meant in the sense of the etymological root of the name, but did not apply in this case as both products had contrived names.

The Court noted these factors in respect of the name and also the particular emphasis given to the syringe-like applicator in the advertising and promotion by the Defendant. In all the

\textsuperscript{14} [1993] FSR
\textsuperscript{15} [2008] IEHC 189
circumstances, the Jude was of the view that the Defendant’s get-up was such as “to enable the
defendant to piggy-back on the goodwill which has been established in the product Botox.”

[15:21] A trader is not even guaranteed to be allowed to use his own name. Thus in *O’Neill’s
Irish International Sports Co. v O’Neill’s Footwear drying Co.* 16 the Defendant was prevented from
using his name in respect of the marketing of his footwear dryer. He had been selling the
product in a show-box shaped package, with “O’Neill’s Footwear Dryer” written on it. Having
reviewed the authorities, the Court was satisfied:

“… that the Defendant had presented its goods to the public in such a manner as t be able to take
advantage of the reputation and goodwill generated by the Plaintiffs.”

(ii) Confusion from packaging

[15:22] Even in cases where a trader has used a different and distinct name to market his product
or service, passing off can still be established based on other factors, including the packaging or
“get-up” of the product. Obviously, a Plaintiff would have to show that it had a reputation in
the packaging concerned.

[15:23] The leading case in this regard is *Reckitt & Colman Products Ltd v Borden Inc* 17 — commonly
known as the *Jif Lemon Case*. The plaintiff had marketed their product Jif Lemon Juice in a bright
yellow, lemon-shaped, plastic container for a number of years. The Court was satisfied that the
plaintiff had goodwill in the packaging and granted an injunction preventing the Defendant
from marketing their lemon juice in a similar container, notwithstanding that their brand and
label was quite easily distinguished from that of the Plaintiff.

[15:24] Interestingly, while the action for passing off will protect distinctive packaging, it is
important to note that it does not extend to the product itself. In *L’Oreal SA v Bellure* 18 Lewison J.
noted that the smell of a perfume could not be protected by the law of passing off: “the law of
passing off is not designed to protect a trader against others selling the same goods or copied
goods.” Similarly in *United Biscuits Ltd v Irish Biscuits Ltd* 19 the Plaintiff was unsuccessful in
seeking to apply the law of passing off to the shape of its “Cottage Creams” biscuits. The
Defendant was the maker of “College Creams”. The packaging used by each was quite different
and distinct from one another, but the biscuits were very similar once out of the package.
Kenny J. held that the latter point was irrelevant when both products were sold in packages.

[15:25] The case can be contrasted with *Jacob Fruitfiled Group v United Biscuits* 20 — the *Figroll case*
— where the Plaintiff sought an interlocutory injunction to prevent the Defendant from passing
off packets of figrolls. The packages were remarkably similar. While each package showed the
brand of the maker of the biscuits, this was a minor feature of each package. The colour of the
package, the relatively small size of the logo, the depiction of figrolls, and the font in which the
name figrolls was written, all combined to lead to a likelihood of confusion.

[15:26] In assessing packaging, the way in which a product appears on a shelf can also be taken
into consideration. In *McCambridge Ltd v Joseph Brennan Bakeries* the Supreme Court included
photographs of super market shelves with the Plaintiff and Defendant’s products side by side
in the distributed judgment.

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16 Unreported (30 April 1997) HC, Barron J.
17 [1990] 1 All ER 873
18 [2006] EWHC 235 (Ch)
19 [1971] IR 16
20 [2007] IEHC 368

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(iii) Confusion from advertising

[15:27] The method by which the goods are advertised can ground an action in passing off. In such cases it is vital for the Plaintiff to show that there is a clear and obvious nexus between the product and the advertising. In Cadbury Schweppes Ltd v Pub Squash Co., a lemon drink called solo was packaged in a beer can and advertised with a canoeist fighting the rapids. The Defendants subsequently launched “Pub Squash” in a similar can and with a similar advertisement. As there was no confusion of the public, there was no basis for the granting of an injunction, but the Court held, obiter dicta, that there was no reason why advertising could not ground an action for passing off.

(iv) Miscellaneous other Misrepresentations amounting to Passing Off

[15:28] One area where passing off has found renewed application has been in the area of celebrity endorsement and merchandising. In Irvine v Talksport, a famous Formula 1 driver claimed passing off in relation to the use of his photograph in an advertisement for the defendant’s radio station. The photograph had been edited to replace the mobile phone which was originally held by the claimant with a portable radio bearing the name of the defendant’s radio station. The court acknowledged that it is a common (and lucrative) practice for famous people to exploit their names and images by way of endorsement, often beyond their field of expertise. The law of passing off should reflect the commercial reality that manufacturers and retailers will pay for these kinds of endorsements. There had to be an implicit representation of endorsement, recommendation or approval (or a reasonable belief among the members of the target audience that this was the case), which was found to be present on the facts.

[15:29] In Mirage Studios v Counter-Feat Clothing Co Ltd, the claimants, the originators of the Teenage Mutant Ninja Turtles cartoon characters, established that the public would rely on the misrepresentation that the defendant’s merchandise was licensed as authorised goods by the claimant copyright owners, and would base their decision of whether to buy the goods in question on that material factor.

[15:30] The recent case of Fenty v Arcadia Group Brands — the Rihanna T-shirt case — is also of interest. Here the Defendant, a popular clothes retailer, sold T-shirts bearing an image of the Plaintiff, the famous pop star Robyn Rihanna Fenty. The Plaintiff had numerous different business dealings outside the world of popular music, including arrangements with Nike, Gillette, Clinique and LG Mobile, her fashion design and promotion work, and agreement with the River Island, a competitor of the Defendant in the case. In terms of goodwill and reputation, the Plaintiff was held to have ample goodwill to succeed in a passing off. Having regard to her diverse business dealings, and her “cool, edgy image”, the scope of Rihanna’s goodwill was not only as a music artist but also in the world of fashion, as a style icon.

The Judge said that the issue of misrepresentation leading to confusion would

“… always depend on the nature of the relevant market and on the perceptions of the relevant customers. It is certainly not the law that the presence of an image of a well-known person on a product like a t-shirt can be assumed to make a representation that the product has been authorised.”

He went on to point out that the issue was not one of using the image of a famous person, per se. Rather, “[t]o be passing off, a false belief engendered in the mind of the potential purchaser

21 [2002] 2 All E.R. 414
22 [1991] FSR 95
23 [2013] EWHC 2310
must play a part in their decision to buy the product.” The Judge embarked on a detailed consideration of the likely attitude of potential purchasers of the t-shirt in question. On balance, he felt that the facts favoured the Plaintiff, having regard to the following factors:—

- The image in question was a photograph taken during a well-publicised video shoot for a single on Rihanna’s album Talk That Talk. The image included the same hairstyle and the same headscarf, which fans would notice. Thus, the character of the image was a “fairly strong indication” that the T-shirt was authorised.
- Topshop had various relationships with famous stars in general. Topshop was well known for its collaborations with various celebrities, making it more likely that purchasers would conclude that the garment was authorised.
- Topshop also had a link to Rihanna, where there were various instances in which Topshop had publicised the fact that the Plaintiff was wearing or was considering wearing Topshop clothing.

As Birss J. noted, consumers would recognise the particular image of Rihanna, not simply as a picture of the artist, but as a particular picture of her associated with the particular context, of her recent album and the idea that the T-shirt was authorised would be part of what would motivate them to buy the product. In terms of damage, since a substantial number of purchasers would be likely to be deceived into buying the T-shirt in question because of a false belief that it had been authorised, this would “obviously be damaging to the claimants’ goodwill”. The damage amounted to direct loss of sales to her merchandising business, but it also represented a loss of control by Rihanna over her image and reputation in the world of fashion. The choice of what garments the public would think were endorsed by Rihanna was a matter for her, and not for the defendant.

The High Court decision was affirmed recently by the English Court of Appeal in *Fenty v Arcadia* [2015] EWCA Civ 3.

[15:31] Passing off has also been used in an effort to stop the copying of certain clothing designs. In the *Adidas Case* the Plaintiff, Adidas, took an action against the Defendants, O’Neills. They claimed that the Defendant had passed off the “three-stripe” logo as their own. However, it was decided that the Defendant had sufficiently distinguished themselves in the sportswear market in Ireland: they were well-established and printed “O’Neills” on their products. The court stated:—

“If a trader, attracted by the design or susceptible to the fashion which its prominence creates, decides to copy or imitate, the mere copying of a design or the anticipation of a fashion or the taking advantage of a market or demand created by another’s advertising is not of itself sufficient to support an action in passing off if the trader against whom the complaint is made has sufficiently distinguished their product so that no confusion is created.”

[15:32] The decision can be contrasted with that in *Gabicci v Dunnes Stores Ltd*. There the Plaintiff was a designer of men’s co-ordinated casual clothing. They sought an interlocutory injunction against the sale by the Defendant of a particular sweater. Dunnes Stores had got their sweaters made by the Italian factory which makes the Gabicci sweaters. The sweaters were very similar indeed, causing the Judge to remark:

“Insofar as I could judge, it is extremely difficult to tell them apart. If you saw the two Gabicci sweaters in one room and then walked into another room and saw the two Dunnes Stores’ sweaters, I think you would say they were the same though in fact they are not, stitch for stitch, identical.”

25 Unreported, (31 July 1991) High Court, Carroll J.

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This was not a case of the Defendant following a fashion trend and giving good value, the Court said. Rather, it concerned the sale of sweaters which to all intents and purposes were “the Plaintiff’s sweaters”. The damage to the Plaintiff’s goodwill came in the form of lost orders and the impression given to the public that they would see this season’s Gabicci designs on sale at half the price next year in Dunnes.

[15:33] According to Wadlow26

“It is passing-off to supply other goods or services in response to a request for those of the claimant unless the recipient voluntarily accepts them in place of those asked for. It is no defence that the goods could, with diligence, have been distinguished from those requested if no such examination would be likely to be made in practice.”

This principle is variously referred to as substitution or switch-selling. The situation is illustrated by the case of Fearns t/a Autopaint v Anglo Dutch Paint27. Fearns had built up a good business buying wholesale paint from the Defendant and branding it under his tradename “Autopaint”. At some point the Defendants had begun to sell branded Autopaint tins to the Plaintiff’s franchisees. Occasionally when franchisees requested Autopaint from the Defendants, they would be provided with pallets with some Autopaint and of the Defendants’ own-branded paint. In addition, franchisees would sometimes re-package the Defendants’ pain in Autopaint tins. The Defendants did more than just facilitate this; they demanded it, as they wanted their own paints to remain as distinct brands. The Judge was of the view that some switch-selling in the trade and to the public had occurred and both amounted to passing off. In respect of the switch-selling to the public, the Judge said:

“I am satisfied that members of the public purchasing tins of Autopaint branded product are led to believe that the contents are a paint authorised by the Claimant, rather than one where the franchisee is free to choose the contents independently. Where the contents have been switched by the Defendants to De Beer/Octoral without the Claimant’s consent, there is passing off.”

[15:34] An area where switch-selling often occurs is in the licensed trade where own-brand drinks and mixers are substituted for a product that has been ordered by name. he cases of Showerings v Mecca28 and Showerings v Blackpool Tower29 both involve customers in bars ordering the plaintiffs product, “Babycham”, but being given different products by the bar staff, in the latter case a substitute product called “Baby Bubbly”. The bars which had served the customers the wrong drinks were successfully restrained by injunction.

(v) Confusion and the common course of trade

[15:35] Traditionally, Plaintiff’s have had to establish that the defendant passed off his goods or services as those of the plaintiff in a common course of trade, i.e. in the same or similar business. On some level this makes sense, in that it is hard to see how a consumer could be confused when the products or services are in entirely different commercial spheres. Thus in Wombles Ltd v Wombles Skips30, though it was plain that the Defendant skip company were cashing in on reputation of the characters charged with keeping Wimbledon Common clean, the Plaintiff failed in an action for passing off because there was no common course of trade.

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27 [2007] EWHC 955 (Ch)  
30 [1975] FSR 488
[15:36] In *Lego System v Lego Lemelstrich* the Plaintiff was the manufacturer of the popular children's building block toy, while the Defendant was an Israeli firm involved in the manufacture of patio and garden furniture. The case seemed to recognise a more expansive view of the tort of Passing Off, when, even in the absence of a common course of trade, Falconer J was prepared to accept that the defendant's use of the word in a different trading activity could conceivably "restrict the plaintiff in, or deprive him of, his ability to use his goodwill to launch other products of his own in that particular area or field".

[15:37] In *Harrods v The Harrodian School*, the Department store sought unsuccessfully to have the Defendant prevented from using the adjective "Harrodian" in respect of its school service. Because of the lack of a common course of trade, according to Millet LJ, "Customers of the plaintiff would be ... incredulous if they were told that Harrods had opened a preparatory school."

[15:38] More recent cases, particularly those cited above in respect of character merchandising, illustrate that the Courts have taken a more enlightened approach by attaching importance to the indirect domino effects which may flow from false associations between plaintiff and defendant regardless of their separate business activities. However, it seems a balancing act will always be required.

V. Damage

[15:39] As Clerk & Lindsell note, "once a claimant has established that there has been a misrepresentation, it is usually easy to show that damage will result." Damage commonly involves diversion of sales or the risk of injurious association.

[15:40] In *McCambridge Ltd v Joseph Brennan Bakeries*, the Supreme Court endorsed the following passage from the decision of the High Court Judge:

> "As for the third test the likelihood of damage to the plaintiff, it is appropriate in the instant case to view the case as more in the nature of a quia timet action as far as damages are concerned given the recent introduction by the defendant of its new packaging. I heard some evidence of losses said to result from the introduction of this new packaging, but there could easily be, on the evidence, other reasons for any losses which have been alleged by the plaintiff. I am satisfied that should the plaintiff succeed in satisfying the second test then it would be reasonable and correct to grant an injunction, even though the plaintiff may have fallen short in being able at this stage to establish actual loss resulting. If there be actionable confusion it is reasonable to conclude that this in all likelihood will result in customers purchasing the defendant's product in error, believing that he or she has purchased that of the plaintiff. Losses therefore are an inevitable foreseeable consequence."

[15:41] The caselaw above illustrates well some of the types of damage that can be suffered. For example, in *Tattinger v Allbev* the damage recognised by the Court was in the form of a dilution of the distinctiveness of the Plaintiff's brand. Similarly, in the *Rihanna case*, damage was in the form of loss of control of what products would be associated with her.

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31 [1983] FSR 155
32 Unreported, Court of Appeal, 2 April 1996
33 Clerk & Lindsell on Torts, 20th ed. 2010.
34 [2012] IESC 46.

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[15:42] In *Stringfellow v McCain Foods*[^35], Peter Stringfellow, the owner of the nightclub Stringfellows, sought an injunction to stop McCain from selling frozen oven chips under the name Stringfellows. The television advertising for the product showed a child in a kitchen with flashing lights dancing to music and the Court of Appeal held this involved an element of misrepresentation. However, the court went on to find that there was no proof of damage and the television advertisement which contained the word “Stringfellows” was always accompanied by the word “McCain”. In that respect there was no misrepresentation as the name Stringfellows was not likely to lead any member of the public to the reasonable belief that the plaintiffs were associated with the food business. It was furthermore stated that the damage or likelihood of damage arising from the misrepresentation involving the advertisement was not shown as neither attendance nor bookings at the club had decreased since the advertisement was aired.

[15:43] A further useful example in an Irish context is the decision in *Falcon Travel v Owners Abroad Group plc*[^36]. The Plaintiff was a travel agent operating in Dublin and Wicklow since 1970 or so, where it enjoyed significant reputation. The Defendant was a tour operator — the wholesale end of the business — based initially in the UK but who entered the Irish market in 1980 or so. It had been assumed by the Defendant that there would be no problem with using the name “Falcon Leisure Group” because they were not in competition with the Plaintiff and their products were at different ends of the market. Ultimately though, people became confused between the two businesses, so much so that the Court felt that the goodwill had been appropriated by the defendant and had become submerged in that of the defendant. Rather than grant an injunction, the Court felt that an award of damages was more appropriate, and awarded the Plaintiff a sum necessary to enable the plaintiff to mount an advertising or public relations campaign which would explain to the public and people in the travel agency business the difference between the parties. Finally, it is worth noting that the Supreme Court recently found that the remedy of account of profits was available in the context of the common law action for passing off in *McCambridges v Brennans (No. 2)*.

VI. Passing off at the Interlocutory Injunction Stage

[15:44] As noted earlier, many of the cases that we consider have been decided at the interlocutory stage, that is at an early point in litigation where neither party is yet ready for a trial. When seeking an injunction at that early stage, special considerations apply. Obviously the Court will not be able to hear all of the evidence in the case. The questions then is, by what standard should a Judge decide whether or not to grant such an injunction.

[15:45] McMahon and Binchy note that some reported decisions appear to favour the proposition that if the injunction application is in reality going to conclude the matter that “the court should seek to determine the merits of the substantive legal issue”. However, as Slattery[^37] points out, some recent Irish cases appear to take the opposite view.

[15:46] In *Miss World Limited v. Miss Ireland Beauty Pageant*[^38], the second and third plaintiffs held franchises from the first plaintiff entitling them to organise the “Miss Ireland” beauty pageant for the purpose of sending a representative to the “Miss World” contest. The defendants asserted an entitlement to use the name “Miss Ireland” in connection with beauty pageants which they intended to hold for the purpose of sending representatives from Ireland to three other international beauty pageants, in respect of which they held franchises. The

[^35]: [1984] RPC 501
[^36]: [1991] 1 IR 175
[^37]: Slattery, “From Mythbusters to Miss World” (2007) CLP 240
[^38]: [2004] I.R. 394
plaintiffs applied for, inter alia, interlocutory injunctions restraining the defendants from passing off their events or pageants as or for the “Miss Ireland” pageant and from passing off any of their events, pageants or products as being associated therewith. The plaintiffs contended that the name “Miss Ireland” was exclusively associated with them or distinctive of their business and that the use of a name identical to that of an established business and in relation to an identical business within the same territory would inevitably cause confusion amounting to a misrepresentation. The defendants contended otherwise and submitted that a relatively small change in the name would be sufficient to differentiate their activities from those of the plaintiffs. Laffoy J summarised the function of the court in such an interlocutory application as being to determine whether: –

1. the plaintiffs have raised a fair and bona fide question to be tried;
2. if they have, in the event of being refused an injunction and succeeding in the action, they would be adequately compensated by damages;
3. if they would not, in the event of the injunction being granted and the plaintiffs failing to succeed in the action, the defendants would be adequately compensated by damages; and
4. the balance of convenience lies in favour of granting or refusing the injunction.

A full discussion of these various issues is beyond the scope of this work, but suffice to say that if the Plaintiff cannot overcome the first hurdle then they are surely bound to lose the action generally at a full hearing.

VII. Survey Evidence in Passing Off Proceedings

[15:47] For a period, survey evidence was considered an essential element of proving both reputation and goodwill, and a likelihood of confusion. The difficulty is, of course, that a survey is by it’s nature, prima facie hearsay evidence. However, that has not stopped both Plaintiffs and Defendants from seeking to rely on survey evidence on occasion.

[15:48] In An Post v Irish Permanent plc\(^39\), an interlocutory application, Kinlen J saw no difficulty with the survey evidence that was proffered by each party. He recited in some detail the evidence which had been opened to him. He observed that counsel for both the Plaintiff and the Defendant had used the surveys “to great effect” and that they each had “quarried suitable portions to support their respective cases”.

[15:49] By contrast in Smithkline Beecham v Antigen Pharmaceuticals\(^40\) McCracken J felt in dealing with survey evidence, he could do no more than quote from the judgment of Whitford J in Imperial Group v Philip Morris\(^41\) to the effect that:

> “[h]owever satisfactory market research surveys may be in assisting commercial organisations as to how they can best conduct their business, they are by and large, as experience in other cases has indicated, an unsatisfactory way of trying to establish questions of fact which are likely to be matters of dispute.”

[15:50] Whitford J did not rule out the possibility of survey evidence altogether. Instead he laid down stringent conditions.

> “Of course, if a survey is to have any validity at all, the way in which the interviewees are selected must be established as being done by a method such that a relevant cross-section of the public is interviewed. Nobody suggests that those who were concerned with the surveys which were

\(^{39}\) [1995] 1 ILRM 336
\(^{40}\) [1999] 2 ILRM 190
\(^{41}\) [1984] RPC 293
introduced by the plaintiffs did anything other than try to meet their obligations in this respect. Any survey must of course be of a size which is sufficient to produce some relevant result viewed on a statistical basis. It must be conducted fairly.

If survey evidence is to be of any weight at all it can only be of weight if in any case where, as here, a number of surveys have been carried out the plaintiffs give—and they must give this to the defendants before ever the action comes on—the fullest possible disclosure of exactly how many surveys they have carried out, exactly how those surveys were conducted and the totality of the number of persons involved…

It is also important that the totality of all answers given to all surveys should be disclosed and made available to the defendants…

Great importance inevitably attaches to the way in which the questions are cast… It must necessarily be the case that the exact answers given and not some sort of abbreviation or digest of the exact answer should be recorded. For the purpose of an analysis coding is in general carried out, … and it is of vital importance that any such coding should be accurately carried out. Of course one has to know exactly what instructions were given to persons carrying out the interviews upon which answers to questionnaires are secured…”

**Issues to consider:**

1. Is there a need for the tort when intellectual property laws establish significant protection?
2. Should the law interfere with the advertising and marketing of goods in an open economy?
3. Should celebrities be entitled to look to the law of passing off in a claim over personality rights? Does passing off adequately protect those rights?
4. Is it correct to draw a distinction between business who trade in similar markets and those who do not when determining if the public are likely to be confused?