

ment and other acts of unfair competition, so that instead of draft art.1 there would be two arts A and B, with the latter being intended to supplement the ineffective and imprecise provisions of the current art.10bis:

"A. The Contracting countries undertake to assure to the nationals of the other Contracting countries legal redress—which shall include penal remedies—in the case of any fraudulent use of the marks of such nationals.

B. 1. The Contracting States undertake to assure to the nationals of other Contracting States in their respective territories effective protection against unfair competition.

More especially, they agree to adopt suitable civil measures and, in cases of fraud, suitable penal measures in regard to the use in commerce of trade designations (names, styles of firms, headings of printed matter and other signs of all kinds, e.g. emblems, get-up etc.) intended to distinguish the products or goods of a producer, manufacturer, or merchant, and also in regard to the use of descriptions or pictorial representations, or a combination of the two, or any other indication relating to the origin of the products or the goods, when such use is obviously of a nature to create either confusion with the goods of another person, physical or judicial, or an error as to the real origin of the goods.

Proceedings may be taken by any person or company aggrieved and, in the case of an action for an injunction or of criminal prosecution, by any association or person representing the special industry thus prejudiced.<sup>76</sup>

2. The provisions of the foregoing paragraph shall also apply to colourable imitations of the above-mentioned *designations* or *descriptions* when such imitations, although not in all respects exact copies of the original, are likely to cause confusion or mistakes.

3. The provisions of Article 9 of the [Paris] Convention shall apply to any product or to any goods which directly or indirectly bear a false indication as to the origin of the products or goods, or as to the identity of the producer, manufacturer or merchant.<sup>77</sup>

Other Articles (C and D) dealt with abuses of the registered trade mark system. So far as the four specific questions were concerned, majorities considered it desirable and feasible to draw up an illustrative list of practices to be included under the head of unfair competition, in which commercial libel should be included, but that it was not possible to produce such a list instantly. An international regime for better protecting geographical appellations was regarded as premature, and there was next to no support for the kind of criminal proceedings contemplated by the second of the four questions.

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The final chapter in the involvement of the League of Nations followed the Geneva meeting of the experts. The Economic Committee formulated a series of amendments to the Paris Convention to be tabled by a suitable Member State at the forthcoming Hague Conference (the League as such having no official standing) and, it was to be hoped, supported by the other members of the League.<sup>78</sup> The proposals for the new art.10bis corresponded precisely to art.B paras (1) and (2) of the draft produced at the Geneva Expert's meeting.<sup>79</sup> In addition, a declaration

<sup>76</sup> This sub-paragraph was adopted by a majority, with minorities either preferring a slightly different text, or considering that the whole issue should be left to national law.

<sup>77</sup> This paragraph was also adopted on a majority vote.

<sup>78</sup> [1924] *League of Nations Official Journal*, pp.1472–1474 (Economic Committee), 1479–1484 (proposed amendments); [1925] *Propriété Industrielle*, pp.56–57.

<sup>79</sup> art.B(3) was now to be included in art.10 of the Paris Convention. The draft provisions on abuse of

would have been inserted in the final Protocol in the following terms:

"In order to avoid doubts it is hereby declared that the term 'unfair competition' mentioned in Articles 2 and 10bis of the Convention signed this day is not to be understood as being limited to the particular abuses specified in the second paragraph of Article 10bis, but as including all other methods of fraudulent misdescriptions of goods, as, for example, false statements as to material or mode of manufacture, false claims to awards or certificates in respect of goods, in so far as such practices are prejudicial to international commerce."

Although not included in the formal amendments to the Paris Convention, the Committee also supported the earlier proposal for an international institution to adjudicate disputes under the Convention.

The various proposals of the League of Nations were duly included or noted in the *travaux préparatoires* for the 1925 Hague Conference.<sup>80</sup> It will be seen that they were influential to the drafting of the revised art.10bis proposed by the International Bureau in the Programme, and that the UK simply adopted the League proposals as its own. After discussion of the new art.10bis was complete, the Conference recorded its appreciation of the League's work.<sup>81</sup>

### The 1925 Hague Conference: the Programme and national proposals

The International Bureau's Programme for the 1925 Hague Conference<sup>82</sup> mentioned the efforts of previous conferences to legislate against unfair competition, and evidence for the post-War consensus that the Washington text was completely inadequate. The Programme therefore proposed an almost entirely new art.10bis, drafted so as to give effect to four principles: first, not to disturb the existing structure of the Convention so that, for instance, provisions specifically relating to trade marks or indications of provenance were dealt with in their respective sections rather than as part of a general unfair competition clause; secondly, to attempt to formulate a general definition of unfair competition (though none could ever be complete) followed by a non-exhaustive list of examples; thirdly, to list the typical abuses against which the contracting states were to be required to take appropriate measures; and finally, to establish a uniform standard for the availability of legal proceedings. It will be seen that the first principle was met, though not without opposition; that the second and third also prevailed, though in much more limited form (even today) than the Bureau would have preferred; but that the fourth has made next to no progress.<sup>83</sup>

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In detail, the Programme recommended two minor drafting amendments to the existing art.10bis<sup>84</sup> and the addition of three substantial new paragraphs to it. The

the registered trade mark system were also proposed for inclusion in the appropriate places.

<sup>80</sup> [1925] *Propriété Industrielle*, pp.166–169 (general preview), pp.242–243 (specific to unfair competition). *Actes de la Haye* (1926), pp.97 (the six recommendations of the Economic Committee from 1922), 97–100 (1922 draft Articles, 1924 Expert's meeting, proposed declaration on art.10bis, Council approval of Economic Committee proposals), 253 (background to the Programme of the International Bureau).

<sup>81</sup> *Actes de la Haye* (1926), p.480.

<sup>82</sup> *Actes de la Haye* (1926), Point IX, pp.252–255.

<sup>83</sup> The Programme also raised, but did not pursue, the question of protection for "news of the day", which is outside the scope of the present work.

<sup>84</sup> Changing "s'engagent" to "sont tenus" and "de Union" to "des autres pays contractants".

new art. 10bis would have read<sup>85</sup>:

1. *Les pays contractants sont tenus d'assurer aux ressortissants des autres pays contractants une protection effective contre la concurrence déloyale.*
2. *Constitue un acte de concurrence déloyale tout acte contraire aux usages honnêtes en matière industrielle ou commerciale, par exemple l'apposition sur des produits, marchandises, emballages, papiers d'affaires ou documents commerciaux, de mentions trompeuses de récompenses industrielles (médailles, diplômes, distinctions honorifiques, prix, etc.); les fausses déclarations relatives à la matière première ou à la mode de fabrication des produits; la réclame fausse; le fait de discréditer injustement les produits ou marchandises d'un concurrent, etc.*
3. *Les pays contractant conviennent, en particulier, de prévoir des mesures appropriées d'ordre civil et, en cas de pratiques frauduleuses, d'ordre pénal, en ce qui concerne l'usage industriel ou commercial, manifestement de nature à créer soit une confusion avec les produits ou marchandises d'autrui, soit une erreur quant à l'origine véritable de ces produits ou marchandises:*
  - (a) *de marques de fabrique ou de commerce;*
  - (b) *emblèmes, armoires, signes ou poinçons officiels de contrôle et de garantie;*
  - (c) *de désignations commerciales servant à distinguer les produits ou marchandises d'un producteur, fabricant, ou commerçant, telles que noms, firmes, titres d'imprimés et autres signes de tout genre comme enseignes, conditionnement, etc.;*
  - (d) *de descriptions ou représentations figuratives ou de leurs combinaisons;*
  - (e) *de toute autre désignation se rapportant à l'origine du produit ou de la marchandise.*
4. *Toute personne physique ou morale lésée, ainsi que, dans le cas d'actions en cessation du trouble ou actions pénales, les syndicats et associations intéressés régulièrement constitués dans leur pays d'origine, auront le droit d'agir ou d'intervenir en justice à raison de tous les actes de concurrence déloyale.*

Draft art. 10bis of the Programme may thus be divided into four parts. First, there is the single paragraph carried over from the 1911 Washington version by which the contracting states undertake to provide effective protection against *concurrency déloyale*, but strengthened slightly by the stronger language of "*sont tenus*" and clarified so as not to create any obligations of the states towards their own nationals.<sup>86</sup> On its own, this would hardly have remedied the perceived failings of the previous text, so there follows a general definition of *concurrency déloyale* in terms of all acts contrary to honest practices in industrial or commercial matters, followed by a list of representative (but non-exhaustive) examples of these in which there is typically some kind of fraudulent misrepresentation or misdescription, but not one such as to induce confusion in the normal trade mark sense. The third paragraph addresses various malpractices by which confusion with the goods of

<sup>85</sup> The paragraph numbers 1–4 are not part of the text but are inserted for convenience.

<sup>86</sup> This clarification, though approved by the Hague Conference in principle, seems subsequently to have been lost in the process of drafting and re-drafting, leaving even the present (1967) version of the Article in its original 1911 form in this respect.

another, or more generally, mistake as to origin, might be induced and requires the availability of civil remedies in all such cases, and criminal ones in cases of fraud. The fourth and final paragraph is wider still in procedural terms: anyone injured by an act of unfair competition is to have a right of action; and in actions for an injunction, or criminal prosecutions, there is to be a right for trade associations to sue or intervene.

Several national delegations proposed variants on the draft Article of the Programme or drafts of their own. In view of their length, and the fact that many of them more or less followed the programme, these can only be summarised here.

The UK formally proposed the amendments to art. 10bis which had been adopted by the League of Nations.<sup>87</sup> In addition, and also in accordance with the League's recommendations, the UK would have added a provision to the *Protocole de Clôture* stating that the interpretation of "*concurrency déloyale*" in arts 2 and 10bis was not to be confined to the circumstances of para. 2 in the UK numbering (3 in the Programme) of the latter, but extended to other fraudulent or misleading acts in relation to goods, in so far as they adversely affected international trade. The official instructions of the Board of Trade to the British delegation identified unfair competition as their highest priority:

"His Majesty's Government attach special importance to the proposals which have been put forward on behalf of Great Britain in connection with articles 6, 6a, 6b, 9 10 and 10bis for securing more effective international protection against unfair competition. As you are aware, these proposals were originally framed by the Economic Committee of the League of Nations who consulted a Conference of Experts which met at Geneva in May, 1924. They received the approval of the League of Nations, and every endeavour should be made by you to maintain the measure of international agreement which has thus been obtained, and to secure the incorporation of the League's proposals in the Convention."<sup>88</sup>

In other respects the instructions were restrictive. In the specific context of art. 10bis it was said:

"In dealing with the various texts submitted for this Article, you will aim generally at securing as little divergence as possible from the text agreed at the League of Nations meeting, and embodied in the British proposals, in particular you will resist all amendment designed to bring within the scope of the Article matters of unfair competition (such as the protection of press information, or trade libel, bribery &c.) which are not connected with what is known as industrial property, or which are not well known grievances in international trade."

France and Germany may be said to have favoured proposals framed in much more general terms than those of the Programme or the League of Nations, rejecting both the excessive detail of the Programme and the relatively narrow scope of the League's proposals.<sup>89</sup> Those of Germany were the more concise.<sup>90</sup> Paragraphs 1 and 4 of the programme would have been retained (the latter with a drafting

<sup>87</sup> See para. 2–43. Compared to the Programme, this meant that: para. 1 was retained with some drafting amendments; para. 2 was to be deleted; para. 3 retained in general terms, but with the individual instances (a)–(e) deleted; and para. 4 substantially retained.

<sup>88</sup> UK Public Record Office file BT 209/706, letter of 30 September 1925. The instructions went on to say that if agreement could not be reached at all, or reached only on terms which deprived the League of Nations proposals of their value, then the British delegation was authorised to propose a separate Convention dealing specifically with unfair competition, to be considered at a subsequent conference which might be convened by the League of Nations or some other suitable international body.

<sup>89</sup> Both Germany and France also initially addressed as an act of unfair competition, the problem of

amendment); para.2 would have been stripped down to the general proposition defining “*concurrence déloyale*” in terms of acts contrary to honest practices in industrial or commercial matters, with the list of examples deleted<sup>91</sup>; and para.3 would have been replaced in its entirety with three new sub-paragraphs addressing various kinds of false or misleading advertising, confusion, and disparagement. The French proposal<sup>92</sup> was for entirely new arts 10bis and 10ter, in which “*concurrence déloyale*” was defined in very broad terms starting with familiar examples and culminating in “*tous les actes contraires à la loi, aux usages commerciaux, ou à l'équité*”. More specific articles dealt with false indications of origin and the like, and passing-off, in terms generally consistent with the League of Nations proposals. New art.10ter would have provided for trade associations to have locus standi. The proposal of Italy<sup>93</sup> is notable for the simple elegance with which it dealt with the major problems—without limiting itself to cases involving goods and without attempting to invoke a general clause. After retaining only the first paragraph of the Programme, it would have read:

“*Est coupable de concurrence déloyale celui qui, dans le but de détourner la clientèle; le d'un concurrent:*

- (a) *fait usage de noms et signes distinctifs propres à engendrer confusion avec les noms et signes légitimement adoptés par autrui;*
- (b) *décrit les produits ou les services d'autrui;*
- (c) *excite les dépendants d'autrui à la violation des devoirs fixés par la loi ou par le contrat;*
- (d) *fait usage d'indications de provenance fausses, à moins qu'il ne s'agisse de désignations d'usage courant.”*

### The 1925 Hague Conference: the discussions and outcome

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At the Hague Conference itself, the change from “*s'engagent ...*” to “*sont tenus d'assurer*” was readily and unanimously agreed, though being recognised as little more than a gesture. Thereafter, the discussions at the Conference can only readily be followed if the issues are broken down (following the treatment in *Actes de la Haye*) into the following groupings: (1) the terms of any general clause against unfair competition and its intended legal effect; (2) specific kinds of unfair competition against which mandatory protection was considered, namely confusion, disparagement, false advertising, *débauchage*<sup>94</sup> and misuse of news of the day; and (3) the legal nature of the action against unfair competition, and specifically the extent to which civil and/or criminal sanctions were to be mandatory, the locus standi of parties who did not suffer damage (including trade associations), and the desirability of special legislation.<sup>95</sup> In accordance with normal practice, policy decisions were taken in principle by the relevant sub-committee, the resulting texts were edited as necessary by a drafting committee, and finally adopted (if necessary, after further debate and amendment) in plenary session, where unanimity was required.

fraudulently registered trade marks. This does not correspond to the eventual treatment of the issue in the Convention, and is not further considered here.

<sup>90</sup> *Actes de la Haye* (1926), p.349.

<sup>91</sup> As was subsequently adopted.

<sup>92</sup> *Actes de la Haye* (1926), pp.349–350.

<sup>93</sup> *Actes de la Haye* (1926), p.350.

<sup>94</sup> Inducing employees of a competitor to break their contracts or legal duties, sometimes translated as “labour piracy”.

<sup>95</sup> *Actes de la Haye* (1926), p.472 onwards (Report of sub-committee IV).

In the case of art.10bis discussions took place both in sub-committee IV itself, and in a smaller ad hoc committee or working party which reported to sub-committee IV.

So far as the *general clause* was concerned, there was little opposition in principle to the (truncated) proposition in the Programme, reading “*constitue un acte de concurrence déloyale tout acte contraire aux usages honnêtes en matière industrielle ou commerciale*” except that France would have supported a more far-reaching form of wording in terms of “*tous les actes contraires à la loi, aux usages commerciaux ou à l'équité*”. Either of these would apparently have received widespread support, but both were opposed by a number of delegations for being too vague and indeterminate for inclusion in an international convention. The opposition included Italy, Japan, the UK and the US. In the result, the Working Party felt unable to propose any general clause against unfair competition. However, when the issue was revisited in sub-committee IV, the Dutch delegation revived the proposal of the Programme, and was enthusiastically supported by the French delegate, M. Maillard. The latter even suggested that it would be preferable to leave art.10bis unchanged, rather than degrade its pre-existing generality to a listing of a few specific prohibited acts. M. Maillard's intervention must have been sufficiently inspirational for all delegations to declare themselves in support of the Franco-Dutch proposal,<sup>96</sup> subject only to the US (supported by the UK) requesting clarification that only acts in the course of commercial competition were being referred to.<sup>97</sup> With this proviso, and subject to an unimportant reservation entered by Belgium, this was passed unanimously.<sup>98</sup>

Turning to specific instances of unfair competition, attention was directed in turn to five topics under the names of confusion, denigration, false advertising, *débauchage* and news of the day.<sup>99</sup> So far as *confusion* was concerned, there was unanimity on the need for a specific provision and the only disagreement was over its terms. The working party rejected the Programme's listing of a number of means of causing confusion, on the basis that enumerations of this kind only lent themselves to restrictive interpretations. There was discussion as to whether confusion was to be understood only in terms of physical products (*marchandises et produits*), or also in terms of the person and establishment of a trader. In the interests of clarity only the former was addressed.<sup>100</sup> After a discussion initiated by Italy, it was agreed to make it explicit that only confusion with the products of a competitor was relevant, but that liability (as opposed to remedies) would not depend on the presence of bad faith.<sup>101</sup> The provision proposed by the working party and adopted by the sub-committee read: “... *tous faits quelconques de nature a*

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<sup>96</sup> Unless it be thought that M. Maillard was contemplating vetoing any further and more detailed improvements to the Article; or even (from the second part of his reported intervention) that he might have been hinting that France could re-open the issue of compulsory working of patents, where an accommodation satisfactory to certain other Member States had been reached.

<sup>97</sup> “...*qu'il ne s'agit dans les faits visés que de la concurrence commerciale*”.

<sup>98</sup> *Actes de la Haye* (1926), p.475, at I.

<sup>99</sup> *Actes de la Haye* (1926), p.475, at II, and onwards: (1) *Confusion* at p.476, (2) *Denigration* at p.477, (3) *Reclame fausse* at p.477, (4) *Le débauchage* at p.478, and (5) *Les informations de presse* (supported only by the Serb-Croat-Slovene state, and not further considered here) at p.478.

<sup>100</sup> This was, of course, to be remedied at the 1934 London Conference.

<sup>101</sup> It is a reasonable inference that some kind of bad faith or fraudulent intent might be a pre-requisite for an award of damages.

*créer une confusion par n'importe quel moyen avec les marchandises ou produits d'un concurrent*".

On denigration (*dénigrement*) the sub-committee unanimously adopted the text: "... *les allégations fausses dans l'exercice de commerce, de nature à discréditer les marchandises ou produits d'un concurrent*". Great Britain and the US had some reservations which they did not press, and France would not have confined the prohibition to disparaging statements which were untrue. In view of the (still-outstanding) question of whether the common law of injurious falsehood complies with the Paris Convention, it is interesting to record how the report of the sub-committee distinguished *dénigrement* (the concept under discussion) from *diffamation*: "... *la notion du dénigrement est plus large que celle de diffamation, notamment qu'elle n'implique pas une intention injurieuse. Ce qu'on veut frapper c'est le fait de discréditer un concurrent par des affirmations contraires à la vérité*". As with the previous subject, confusion, only disparagement of a competitor's products was addressed and not disparagement of the person or establishment of the competitor himself.<sup>102</sup>

On false advertising or publicity<sup>103</sup> (*réclame fausse*) there was fundamental disagreement as to whether this kind of conduct was an aspect of unfair competition law or consumer protection law. Those in the latter camp objected that it was a matter for national law alone, and was unsuitable for inclusion in an international convention. Since agreement was impossible, no specific proposal was formulated or adopted. A provision dealing with *débauchage* was supported only by France and Italy, and as several delegations found it unacceptable, also went no further.

Finally, on the question of sanctions the sub-committee noted the existing diversity of legal actions and remedies by which unfair competition was sought to be suppressed,<sup>104</sup> and the impossibility of stipulating uniform procedures or remedies. In the event, the only concrete proposal was that adopted as the second paragraph of art.10ter.

### The 1934 London Conference

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The discussion of unfair competition at the 1934 London Conference was quite as extensive as at the 1925 Hague Conference, but it achieved relatively little.

The Programme for the Conference, Point XI, proposed only one substantial change to art.10bis, namely to replace "*les produits d'un concurrent*" in the two specific prohibitions of art.10bis(3) with "*l'établissement, les produits ou les services d'un concurrent*." The commentary very briefly explained that the 1925 text only applied to confusion or denigration relating to goods, and that there was an equal need to protect service businesses and the enterprise or establishment itself. In due course, this was adopted unanimously.<sup>105</sup>

In addition, numerous proposals for amendment of art.10bis were made by individual Member States and by various non-governmental organisations. The latter are mentioned only to the extent that they were adopted by a national delega-

<sup>102</sup> This was also remedied at the 1934 London Conference.

<sup>103</sup> In the sense of various untrue claims about a trader's own goods. The report of the sub-committee notes that the term was neither in general use, nor uniformly interpreted, and in fact there seems to have been little common ground about what was being addressed.

<sup>104</sup> *Actes de la Haye* (1926), pp.478-480.

<sup>105</sup> *Actes de Londres* (1934), p.418.

tion, or specifically debated.<sup>106</sup> Germany proposed a new art.10bis(3)(3) directed to misleading and comparative advertising, which was subsequently considered in tandem with the AIPPI proposal, below. Hungary proposed a new sub-para.(3) dealing expressly with the problem of substitution.<sup>107</sup> Italy would have introduced the words "*la personne*" instead of "*les services*" in both sub-paras (2) and (3); and the US would expressly have made the examples of art.10bis(3) non-exhaustive ("*Seront interdits, entre autres, les actes suivantes ...*"), and would have made drafting amendments to sub-paras (1) and (2). These proposals by Italy and the US were withdrawn in favour of the text of the Programme.<sup>108</sup>

The US would also have added a new para.10bis(4) reading: "*En l'absence, dans un pays de l'Union, de sanctions spéciales assurant la répression des actes de concurrence déloyale, seront applicables à ces actes les sanctions prévues par la législation sur les marques ou sur le nom commercial*", and this was not withdrawn.

The proposal with the most widespread support was made by Denmark, France, Norway, Sweden and Switzerland, all of which supported the proposal adopted by the AIPPI at its 1932 London conference for the addition of a third sub-paragraph reading: "*Les allégations fausses, dans l'exercice du commerce, de nature à attirer la clientèle, qui se rapportent à l'origine, à la nature, à la fabrication, à la vente des produits ou à la qualité de l'établissement commercial ou à des récompenses industrielles*".

In addition France, alone of these, would have followed the AIPPI in proposing to delete the word "*fausses*" in sub-para.(2), so as to prohibit statements which were disparaging but true. In sub-committee IV, this was supported by Belgium, which would also have replaced "*discréditer*" with "*nuire*" and by Hungary and Czechoslovakia. The US objected that truth could never be treated as discrediting, and while Italy accepted that there might be occasions for prohibiting truthful but disparaging statements in competition, it submitted that there was no justification for such an unqualified rule. The Belgian and French propositions were defeated by 13 votes to 10, and by 13 to nine, respectively.

The remaining discussion in sub-committee IV concerned the proposed addition of new sub-paragraphs to the existing two of art.10bis(3), and the possible addition of a new paragraph (4) dealing with sanctions. The proposals of the AIPPI and Germany (which were not distinguished at this stage) were approved in principle by a vote of 19 to five, and were remitted to the drafting committee. The latter recommended a version based on one proposed by Switzerland, which would have read "*notamment devront être interdits: ... 3 les allégations fallacieuses par un industriel ou commerçant sur son établissement, ses produits et son activité commerciale, si elles sont de nature à nuire un concurrent*". However, in plenary session the only proposals put to the vote and adopted without debate were to the opening words of the Article and to sub-paras 3(1) and 3(2), as indicated above.

The proposal by the US for acts of unfair competition, in the absence of special

<sup>106</sup> Proposals relating to news of the day (*informations de presse*) were made by Germany and Czechoslovakia, but are not further considered here. Likewise a proposal by Czechoslovakia for protection of radio transmissions against unauthorised commercial use.

<sup>107</sup> This was eventually defeated by 11 votes to six, and is not further discussed here: *Actes de Londres* (1934), p.419.

<sup>108</sup> As to paras (1) and (2) of art.10bis, the Programme of the International Bureau was accepted unanimously by committee IV, subject to the Drafting Committee being invited to find a more elegant expression for "*services*". In due course this resulted in the present text "... *l'activité industrielle ou commerciale ...*" *Actes de Londres* (1934), pp.417-418, 469.

2-54

2-55

legislation, to be subject to the same sanctions as provided for by trade mark legislation was vigorously opposed by Italy. Further discussion was curtailed and the sub-committee voted in favour of the US proposal by 11 votes to nine. Hungary, recalling (wrongly) that it was 50 years since the Convention had provided for the repression of unfair competition, also proposed a fourth paragraph for art.10bis, which would have provided: "*De leur côté, les pays de l'Union s'engagent à prendre, dans les deux ans qui suivront la ratification de la présente Convention, des dispositions légales spéciales en vue de la répression de la concurrence déloyale, dans le cas où ils n'auraient pas encore pris de telles dispositions*".

The UK objected that art.10ter was sufficient. Switzerland recalled that following the 1925 Hague Conference it had been understood that the countries of the Union were not obliged to enact any special legislation for the repression of unfair competition, and that it was sufficient for this to be dealt with by the general law. In the result, Hungary withdrew its proposal, but resubmitted it as a non-binding resolution or *voeu*, which was accepted unanimously by the sub-committee, and after being submitted to the drafting committee was adopted by the plenary session in the following form: "*La Conférence insiste sur la nécessité, pour les pays de l'Union, de prendre le plus tôt possible les dispositions légales afin d'assurer la répression de la concurrence déloyale*".

On the proposal of the UK, the second paragraph of art.10ter was proposed to be amended by substituting "... *syndicats et associations représentant les industrielles, les producteurs*<sup>109</sup> *ou les commerçants intéressés ...*" for "... *syndicats et associations représentant l'industrie ou le commerce intéressé ...*" and (more significantly) by deleting the words "... *dans le mesure ou la loi du pays dans lequel la protection est réclamée le permet aux syndicats et associations de ce pays*" with which the Article then ended. This was agreed without opposition or debate, although for reasons which are unclear only the first of these amendments was finally adopted.<sup>110</sup>

### The 1958 Lisbon Conference: art.10bis(3)(3) and misdescription

2-56

The only amendment to art.10bis adopted at the Lisbon Conference was not foreshadowed in the Programme of the International Bureau, but one which resulted from a proposal by Austria on lines previously suggested by the International Chamber of Commerce.<sup>111</sup> It would have added a third sub-paragraph to the two enumerated prohibitions of art.10bis(3):

*"L'emploi dans l'exercice du commerce d'indications ou d'allégations susceptible d'induire le public en erreur sur la nature (y compris le mode de fabrication), l'origine, la qualité, l'utilité ou le prix des produits, ou sur les qualités du producteur ou négociant de ces produits."*

This was originally debated in sub-committee III, where it was approved in

<sup>109</sup> In the original proposal, "*fabricants*". The change was proposed by France and was not opposed.

<sup>110</sup> *Actes de Londres* (1934), p.422 (sub-committee IV), p.470 (drafting committee), p.520 (plenary). A minor drafting change was also made, in line with art.10bis, changing "*Les pays contractants ...*" to "*Les pays de l'Union ...*".

<sup>111</sup> Paris, 1956. The Austrian proposal also revived, in modified form, a proposal which had failed to find sufficient support at the 1934 London Conference. The 1934 proposal was in one respect wider than that of 1958, since it was not wholly confined to misdescriptions of goods.

principle by 13 votes to nil, with 14 abstentions, but was transferred to sub-committee IV for further discussion.<sup>112</sup> In the latter, it was accepted in principle without debate by 15 votes to nil, with 14 abstentions. An ad hoc sub-committee (chaired by the UK) produced a revised version which read:

*"L'emploi dans l'exercice du commerce d'indications ou d'allégations susceptible d'induire le public en erreur sur la nature, y compris le mode de fabrication, l'origine, les caractéristiques, l'aptitude à l'emploi (ou la quantité) des marchandises."*

This proposal was duly accepted in sub-committee IV, with little further debate, by 15 votes to nil, with 11 abstentions.<sup>113</sup> In plenary session, the US (which had previously abstained) opposed the new paragraph solely because of the inclusion of the word "*l'origine*". Despite attracting 24 votes in favour and only one against, with 14 abstentions, the proposal was defeated. It was immediately put to the vote again with "*l'origine*" deleted, and in this form was passed by 17 votes to nil, with 22 abstentions.<sup>114</sup> Australia is reported as having supported the US position, although this does not entirely bear examination. Australia's express objection was that the Commonwealth Parliament could not legislate on issues of purely domestic importance—but out of all the contemplated subject matter for art.10bis(3)(3) it is only "*origin*" that seems to have any significant international element, and its deletion would not have met the Australian objection. In the event, Australia abstained twice: both on the original proposal, and on the modified proposal in which the American objection was accepted and "*origin*" deleted.

After further reconsideration by the drafting committee, the new addition to art.10bis(3) was adopted in the following terms.

The following in particular shall be prohibited: ...	<i>Notamment devront être interdits: ...</i>
Indications or allegations the use of which, in the course of trade, is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.	<i>Les indications ou allégations dont l'usage, dans l'exercice du commerce, est susceptible d'induire le public en erreur sur la nature, le mode de fabrication, les caractéristiques; l'aptitude à l'emploi ou la quantité des marchandises.</i>

<sup>112</sup> *Actes de Lisbonne* (1963), pp.725 (sub-committee III); 852 (sub-committee IV). The proposal probably originally received consideration in sub-committee III (trade marks) rather than sub-committee IV (unfair competition and indications of source) because the former was debating at length a proposal relating to use of marks on dissimilar goods which was capable of affecting either art.6bis or art.10bis, and no other amendments to the latter were included in the Programme.

<sup>113</sup> *Actes de Lisbonne* (1963), p.789.

<sup>114</sup> *Actes de Lisbonne* (1963), pp.726, 790. There is a difference as to the number of votes in favour, with Switzerland being omitted from the list at p.727, so that the count there is 16. Since Switzerland undoubtedly voted for the first version and is not recorded as having abstained on the second vote, it is to be assumed that the listing of votes in favour, on p.727, is one short.

## Well-known marks, dilution and related proposals at the Lisbon Conference

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As well as the initiative to add a third category of misrepresentations to art.10bis, the 1958 Lisbon conference also considered at length various proposals to protect especially famous marks (“*marques de haute renommée*”<sup>115</sup>) against use on goods which were neither identical nor similar to those for which the mark was famous. Point XX of the Programme of the International Bureau devoted five pages to considering the proposition that there was already an international consensus against parasitic, but possibly non-confusing, use of highly renowned marks, citing cases from a number of jurisdictions.<sup>116</sup> From this discussion, it is clear that the Bureau was principally addressing the problem of the dissimilar goods being taken for those of the trade mark proprietor, with consequent damage; but was also aware of the concept of “dilution” in the modern sense, in which the complaint is not about confusion in even the broadest sense, but a gradual loss of the attractive power of the mark. Moreover, it is clear that the Bureau was considering under the same rubric liability for the actual use of highly renowned marks for dissimilar goods, and preventing the registration of such marks for dissimilar goods by third parties.

From all these factors, the issue might seem to belong principally with the trade mark sections of the Convention. It was in the Trade Mark sub-committee that it was eventually discussed. However, in the Programme it was introduced by the International Bureau by way of a possible amendment to art.10bis, and the latter possibility was among those debated.<sup>117</sup> After a country-by-country survey, the Bureau asked if the protection of highly renowned marks belonged to art.6bis or to art.10bis. The first option was supported by the AIPPI,<sup>118</sup> who had proposed a new fourth paragraph to art.6bis reading: “*La protection prévue par le présent article s'étend, sous réserve des droits acquis de bonne foi, même à l'égard de produites non identiques ou similaires, s'il s'ensuit ou bien une possibilité de confusion, ou bien un avantage injustifi, ou bien un affaiblissement réel du caractère distinctif ou du pouvoir attractif de la marque*”. However, the Bureau carried the view that liability for use of highly renowned marks on dissimilar goods belonged to the realm of unfair competition, and that trade mark law properly so called was concerned only with use of the mark on identical or similar goods. In the result, the International Bureau made no proposals of its own for the further protection of highly renowned marks under either arts 6bis or 10bis, partly because it was of opinion that art.10bis already provided sufficient protection.

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Several such propositions and observations were made by individual Member States or non-governmental observers,<sup>119</sup> with those that made any progress being summarised below. In the event, none of these various proposals were adopted, although the debate casts some light on some of the limitations of art.10bis itself, and on the extent to which there was support for extending its protection. In what follows, emphasis is given to aspects of art.10bis. Proposals specifically directed to art.6bis or to a new sui generis Article are given much abbreviated treatment.

<sup>115</sup> One degree higher than “*marques notoirement connue*”.

<sup>116</sup> *Actes de Lisbonne* (1963), p.705, et seq. The UK took pride of place, apparently by virtue of the 1898 Kodak case. Examples from elsewhere, in so far as they can be dated, mostly appear to come from the 1940's onwards, and none are as early as Kodak.

<sup>117</sup> All the debate took place in sub-committee III (Trade Marks), rather than sub-committee IV (Unfair Competition and Indications of Source).

<sup>118</sup> *The Association pour la Protection de la Propriété Industrielle*.

<sup>119</sup> *Actes de Lisbonne* (1963), p.709, et seq.

However, it is impossible to avoid reference to them altogether, and the debate on protection of highly renowned marks against use on dissimilar goods was preceded by a lengthy debate on the protection of “*marques notoirement connue*” in the context of art.6bis.

So far as concerns the discussion of Point XX of the Programme in sub-committee III and *marques de haute renommée* properly so called, UNIFAB<sup>120</sup> proposed a slightly extended version of the AIPPI text, the latter also being formally supported by Denmark and Sweden. Iran proposed that the issue should be dealt with by an amendment to art.10bis, and was supported in this by Yugoslavia, the US and Germany. France opposed amendment to art.6bis or adoption of a separate article, considering that the treatment of “*confusion*” in the existing text of art.10bis was adequate. Japan objected that the concept of confusion in art.10bis was limited by the word “*concurrance*,” and that “*d'un concurrent*” should be replaced with “*d'autrui*”. This in turn was opposed by Italy, as potentially extending art.10bis too far. The Netherlands basically supported the proposal of the FIIC.<sup>121</sup> Belgium supported the UNIFAB text in principle. The US thought that the concept of unfair competition already covered use of a well-known mark on different products but would have supported a new article following art.6bis.

In the result, six propositions were put to a vote<sup>122</sup>: (a) that of Japan, to retain art.10bis but with the word “*concurrent*” in paragraph (3) replaced with “*d'autrui*”—the UK and Israel<sup>123</sup> supported this proposal; (b) of the Netherlands, to include a new art.10bis(4); (c) of Portugal, to include a new art.6bis(4); (d) of UNIFAB (supported by Germany) and the LICCD<sup>124</sup> to draft a separate Article; (e) of the US, to extend the benefit of art.6bis to dissimilar goods, in the case of marks with an exceptional reputation; and (f) of Sweden, to adopt the AIPPI draft for a new art.6bis(4).

In this confused state of affairs, a series of votes was taken.<sup>125</sup> The general proposition for protection of a mark on dissimilar products attracted 20 votes in favour, three against and three abstentions. Including such a provision in art.6bis was rejected by six in favour to 16 against, with six abstentions; but introducing it into art.10bis was rejected by a larger margin: one in favour to 10 against, with nine abstentions. Since this implicitly favoured a separate article, votes were taken on its terms. The proposal of the Netherlands received six votes for, three against and 16 abstentions; parts common to the proposals of UNIFAB, Sweden, the AIPPI and the International Chambers of Commerce received 10 for, four against and 11 abstentions.<sup>126</sup> The Portuguese proposal was withdrawn. In the result, the Drafting Committee was asked to prepare the text of a new Article based on the AIPPI, UNIFAB and ICC proposals. This resulted in a further selection of three drafts,<sup>127</sup> which would have created a new Article numbered either as new art.6septies (UNIFAB) or as new art.10ter (Netherlands and a compromise proposal initiated by the Drafting Committee), in the latter case with the existing art.10ter being renumbered as art.10quater.

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<sup>120</sup> *The Union des Fabricants*, present as an observer.

<sup>121</sup> *Federation Internationale des Ingenieurs-Conseils*.

<sup>122</sup> *Actes de Lisbonne* (1963), p.717.

<sup>123</sup> Israel would also have amended “*concurrance déloyale*” to “*pratiques commerciales déloyale*” in art.10bis(1). This was opposed by the US.

<sup>124</sup> *The Ligue Contre la Concurrance Déloyale*.

<sup>125</sup> *Actes de Lisbonne* (1963), p.710.

<sup>126</sup> Sub-proposals of UNIFAB to provide the same protection to trade names were accepted (16:1:11); but rejected for emblems (nil in favour) and slogans (1:18:7).

<sup>127</sup> *Actes de Lisbonne* (1963), p.721, et seq.

faculty only to retailers. Businesses higher up the chain of distribution, such as manufacturers or importers, are, however, liable for passing-off in their own right under a doctrine known as “instruments of deception”. In its most basic form, this states that primary liability for passing-off attaches to the business actually responsible for goods which are inherently likely to deceive ultimate purchasers or consumers. The tort is complete when the defendant parts with possession of the deceptive goods, although actual deception of customers with consequent damage to the claimant may not occur until later, or not at all. The fact that the liability of the manufacturer or importer of deceptive goods arises independently of the possible existence of passing-off at retail level demonstrates that the doctrine is independent of that of joint tortfeasorship.

The doctrine of instruments of deception potentially has to deal with all the various parties who may be involved in the chain by which goods reach the consuming public. Working backwards, it is clear that the doctrine normally has no implications for the retailer selling direct to the public. He is liable, or not, according to whether his own customers are deceived. Goods may be inherently deceptive but if he can dispose of them without misrepresentation he does not commit the tort of passing-off. This may not be likely in practice, but in theory a prominent and credible disclaimer could suffice.<sup>421</sup> At the other end of the chain, there has been little express discussion of what capacity the defendant must fulfil in order to be liable. It is suggested that at the very least liability without fault attaches to the person responsible for first putting the inherently deceptive goods into circulation, whether a manufacturer or an importer, and, in all probability, to distributors, wholesalers<sup>422</sup> and others through whom the goods reach the retailer. Traders performing essentially ministerial functions such as printers, carriers and warehousemen are probably not liable in the absence of a common design, but they can be compelled to surrender deceptive goods under the equitable protective jurisdiction.

#### Liability as joint tortfeasor

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As part of the general law of tort, liability for passing-off is not confined to whoever is directly responsible for committing the offending act. Anyone of whom it can be said that he procured the wrongful act, or that he was engaged in a common design with the primary wrongdoer, may be liable as a joint tortfeasor. However, it is not sufficient to prove that the latter merely facilitated the commission of the tort by the former. The leading cases (both of them in the context of copyright infringement) are now *CBS v Amstrad*<sup>423</sup> and *MCA Records v Charly Records*,<sup>424</sup> with the latter also re-stating the position of directors and controlling shareholders. Liability as joint tortfeasor should be distinguished from that for civil conspiracy, which is a nominate tort in its own right.<sup>425</sup>

The general law of joint tortfeasorship does require one qualification in relation to passing-off. In the context of patent infringement, for instance, it is settled law that even knowingly selling materials which will be used to infringe does not make the vendor liable for infringement, unless there is a closer relationship giving rise

<sup>421</sup> *Draper v Trist* [1939] 3 All E.R. 513; 56 R.P.C. 429 CA.

<sup>422</sup> *Omega, Louis Brandt et Frère SA v African Textile Distributors* 1982 (1) SA 951 (Transvaal). [1988] 1 A.C. 1013; [1988] R.P.C. 567 HL.

<sup>423</sup> [2001] EWCA Civ 1441; [2002] E.M.L.R. 1; [2002] F.S.R. 26 CA.

<sup>424</sup> For unsuccessful allegations of conspiracy in a passing-off action see *Jarman & Platt v Barget* [1977] F.S.R. 260 CA.

to liability as a statutory contributory infringer or as a common law joint tortfeasor.<sup>426</sup> However, in passing-off there is strict liability for supplying inherently deceptive “instruments of deception” even in the absence of any intention that they will be used to mislead. This source of liability, which may co-exist with that as joint tortfeasor or under the “equitable protective jurisdiction,” is discussed in Section K.

#### Individual defendants: directors, officers and proprietors

Relatively few modern passing-off cases deal expressly with the personal liability of individual defendants such as the directors and proprietors of corporate defendants, so it is probably safest to follow decisions in respect of other intellectual property torts or from the general law, the leading authority currently being *MCA Records v Charly Records*.<sup>427</sup> After a lengthy review of the authorities, Chadwick LJ proposed the following four-point analysis governing liability as a joint tortfeasor, with particular regard to the liabilities of company directors:

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“First, a director will not be treated as liable with the company as a joint tortfeasor if he does no more than carry out his constitutional role in the governance of the company—that is to say, by voting at board meetings. That, I think, is what policy requires if a proper recognition is to be given to the identity of the company as a separate legal person. Nor, as it seems to me, will it be right to hold a controlling shareholder liable as a joint tortfeasor if he does no more than exercise his power of control through the constitutional organs of the company—for example by voting at general meetings and by exercising the powers to appoint directors. Aldous L.J. suggested in *Standard Chartered Bank v Pakistan National Shipping Corporation (No. 2)* ... that there are good reasons to conclude that the carrying out of the duties of a director would never be sufficient to make a director liable. For my part, I would hesitate to use the word ‘never’ in this field; but I would accept that, if all that a director is doing is carrying out the duties entrusted to him as such by the company under its constitution, the circumstances in which it would be right to hold him liable as a joint tortfeasor with the company would be rare indeed. That is not to say, of course, that he might not be liable for his own separate tort, as Aldous L.J. recognised at paragraphs 16 and 17 of his judgment in the *Pakistan National Shipping* case.

Second, there is no reason why a person who happens to be a director or controlling shareholder of a company should not be liable with the company as a joint tortfeasor if he is not exercising control though the constitutional organs of the company and the circumstances are such that he would be so liable if he were not a director or controlling shareholder. In other words, if, in relation to the wrongful acts which are the subject of complaint, the liability of the individual as a joint tortfeasor with the company arises from his participation or involvement in ways which go beyond the exercise of constitutional control, then there is no reason why the individual should escape liability because he could have procured those same acts through the exercise of constitutional control. As I have said, it seems to me that this is the point made by Aldous J (as he then was) in *PGL Research Ltd v Ardon International Ltd*...

Third, the question whether the individual is liable with the company as a joint tortfeasor—at least in the field of intellectual property—is to be determined under principles identified in *C.B.S. Songs Ltd v Amstrad Consumer Electronics Plc* ... and *Unilever Plc v Gillette (U.K.) Limited* ... In particular, liability as a joint tortfeasor may arise where, in the words of Lord Templeman in *C.B.S. Songs v Amstrad* ..., the individual ‘intends and procures and shares a common design that the infringement takes place.’

<sup>426</sup> *Townsend v Haworth* (1879) 48 L.J. Ch. 770 CA.

<sup>427</sup> [2001] EWCA Civ 1441; [2002] F.S.R. 26 CA. The restatement of joint liability in *Fish & Fish Ltd v Sea Shepherd UK* [2015] UKSC 10; [2015] A.C. 1229; [2015] 2 W.L.R. 694; [2015] 4 All E.R. 247 has yet to make itself felt in the present field.

Fourth, whether or not there is a separate tort of procuring an infringement of a statutory right, actionable at common law, an individual who does 'intend, procure and share a common design' that the infringement should take place may be liable as a joint tortfeasor. As Mustill L.J. pointed out in *Unilever v Gillette*, procurement may lead to a common design and so give rise to liability under both heads.

In the light of the authorities which I have reviewed I am satisfied that no criticism can be made of the test which the judge applied. But, in my view, the test can, perhaps, be expressed more accurately in these terms: in order to hold Mr Young liable as a joint tortfeasor for acts of copying, and of issuing to the public, in respect of which CRL was the primary infringer and in circumstances in which he was not himself a person who committed or participated directly in those acts, it was necessary and sufficient to find that he procured or induced those acts to be done by CRL or that, in some other way, he and CRL joined together in concerted action to secure that those acts were done."

5-134 *MCA Records v Charly Records*<sup>428</sup> was followed by the Court of Appeal in the passing-off case of *Premier Luggage and Bags v Premier Co*,<sup>429</sup> with the result that the individual defendant would not have been a joint tortfeasor had the finding of passing-off not been reversed. *Asprey & Garrard v WRA (Guns) Ltd and Asprey*<sup>430</sup> was decided without citation of *MCA Records v Charly Records* but is probably consistent with its reasoning. The second (individual) defendant was a joint tortfeasor with the first (corporate) defendant, even though it could not be said that the latter was merely his alter ego: he had set the company up, owned 70 per cent of its shares, was its chairman and managing director, and had expressly chosen the name Asprey (which was subsequently changed) to identify himself as its boss. He was enjoined from procuring or procuring the company to engage in passing off. A quia timet injunction against the personal defendant trading on his own account was discharged, ostensibly because the circumstances in which he might do so were inadequately defined. The injunctions against the company and the individual director as joint tortfeasor were upheld.

5-135 More recently, *MCA Records v Charly Records*<sup>431</sup> was applied in *BSkyB v Sky Home Services*,<sup>432</sup> where individuals associated with two main corporate groups of defendants—neither of them entirely blameless, but one significantly more brazen than the other—were among the defendants. In the course of applying *MCA Records v Charly Records* to the individual defendants, Briggs J denied that there was any further requirement that the individual director should have assumed personal responsibility for the statements in question:

"I must finally deal with the law [in] relation to the liability of directors for passing off by a company. While a company may be vicariously liable for the torts of its officers or employees, the converse is not true. If a director is to be held liable for passing off in connection with the marketing activity of his company, it can only be because he has personally played such a part in the unlawful activity as to have committed it himself, either directly, or by procuring it or inducing it, or by assuming personal responsibility for the conduct complained of.

The precise dividing line between conduct of directors which does, and conduct which does not attract tortious liability has been described in dicta as elusive and as affected by policy considerations flowing from the principles of corporate limited liability. The

principles are summarised by Chadwick L.J. in *MCA Records Inc v Charly Records Ltd*

"... In this passing off case, the factual enquiry to which those principles give rise is whether in relation to any acts of passing off established as against the corporate defendants, the individual defendants did anything personally beyond the exercise of their purely constitutional powers as directors or shareholders, whether by the direct commission of the conduct complained of, or its procurement or inducement, to attract liability as joint tortfeasors with their companies.

Precisely because passing off has misrepresentation at its heart, it is tempting to think that the 'assumption of responsibility' test, which has on occasion exempted a director from liability for negligent misstatement by his company even when he wrote or spoke the words complained of, has a role to play in this case. In my judgment it does not. Assumption of responsibility is a necessary element of the common law tort of negligent misstatement, but not of the tort of passing off.

A more serious objection to the direct liability for passing off by a director in connection with the marketing activity of his company is that the conventional definition of the tort limits its commission to the owner or seller of the goods or services which are the subject of the relevant misrepresentation. But that is no obstacle to the establishment of liability of a director as a joint tortfeasor with his company, on the grounds of procurement, inducement or the fulfilment of a common design."

A special category of case exists in which the defendant company is no more than a shell, entirely under the control of the individuals who caused it to be incorporated. In *Glaxo v Glaxowellcome*<sup>433</sup> Lightman J granted interlocutory mandatory injunctions requiring the promoters of the defendant company to change its name, and Laddie J did likewise in *Direct Line Group Ltd v Direct Line Estate Agency Ltd*.<sup>434</sup> Both decisions were approved by the Court of Appeal in *BT v One in a Million*.<sup>435</sup> More recent examples include *Phones 4U v Phone4U.co.uk*<sup>436</sup> and *Global Projects v Citigroup*.<sup>437</sup> 5-136

## K. INSTRUMENTS OF DECEPTION

### Introduction

It is passing-off for a trader to put into circulation goods which are inherently likely to deceive ultimate purchasers or consumers, even though the immediate purchasers may be middlemen who are not themselves deceived and even though the middleman may ultimately dispose of the goods in a manner which does not deceive anyone at all. The tort is complete when the defendant parts with possession of the deceptive goods, though actual damage to the claimant may not occur until later, if at all. However, a defendant is not responsible for additional misrepresentations made by dishonest dealers unless he knew or intended that those misrepresentations would be made. If the goods tell a lie about themselves then liability is absolute. If they do not, then liability depends at the very least on the defendant's knowledge or intention that they will be used deceptively. 5-137

"[N]o man is entitled to represent his goods as being the goods of another man; and no

<sup>428</sup> [2001] EWCA Civ 1441; [2002] F.S.R. 26 CA.

<sup>429</sup> [2002] EWCA Civ 387; [2003] F.S.R. 5 CA.

<sup>430</sup> [2002] F.S.R. 30 (Jacob J) affirmed [2001] EWCA Civ 1499; [2002] F.S.R. 31 CA.

<sup>431</sup> [2001] EWCA Civ 1441; [2002] F.S.R. 26 CA.

<sup>432</sup> [2006] EWHC 3165 (Ch); [2007] F.S.R. 14 (Briggs J).

<sup>433</sup> [1996] F.S.R. 388 (Lightman J).

<sup>434</sup> [1997] F.S.R. 374 (Laddie J).

<sup>435</sup> [1999] 1 W.L.R. 903; [1999] E.T.M.R. 61; [1999] F.S.R. 1 CA.

<sup>436</sup> [2006] EWCA Civ 244; [2007] R.P.C. 5.

<sup>437</sup> [2005] EWHC 2663 (Ch); [2006] F.S.R. 39.



man is permitted to use any mark, sign or symbol, device or other means, whereby, without making a direct false representation himself to a purchaser who purchases from him, he enables such purchaser to tell a lie, or to make a false representation to somebody else who is the ultimate consumer. . . . [H]e must not, as I said, make directly, or through the medium of another person, a false representation that his goods are the goods of another person."<sup>438</sup>

5-138 The doctrine of instruments of deception has to distinguish the following situations:

- (1) Goods which are inherently deceptive in that they carry indicia so close to what is distinctive of the claimant that they are bound to deceive unless specific remedial measures are taken. There is strict liability on the part of the supplier, even if he acted innocently and even if no passing-off at retail level actually takes place. The tort is complete when the inherently deceptive goods are put into circulation, with the consequence that the supplier is immediately liable to an injunction, an account of profits, and at least nominal damages.
- (2) Goods which would not deceive unless the retailer was responsible for a further misrepresentation of his own, but which are still close enough to those of the claimant in their distinctive features for this to be facilitated. It may be assumed that if the defendant supplies goods which just fall short of being inherently deceptive intending that they will be passed off by retailers then he will be liable. However, it is unclear whether this is under the doctrine of instruments of deception or that of joint tortfeasorship. Logically, the latter is to be preferred.
- (3) Liability for supplying deceptive labels, wrappers, packets and the like seems to depend on the degree of initiative and complicity on the part of the supplier. Whether any liability is under the doctrine of instruments of deception or that of joint tortfeasorship is unclear. Logically, the latter is again to be preferred. As a separate matter, the supplier of such deceptive materials is subject to a number of equitable duties under a doctrine known as the "equitable protective jurisdiction." The latter has an entirely separate legal basis to liability for passing off, but in its practical application partially overlaps with that of instruments of deception.
- (4) There is no primary liability for passing-off arising from supplying staple commercial products even if it is known that they will be used for passing off. These are not instruments of deception. There will be secondary liability for joint tortfeasorship if the supplier has a common design with a person actually liable for passing off as such.
- (5) Finally, the doctrine has been extended to "instruments of deception" which are not tangible goods at all, such as company names and internet domain names.

#### The theory and its applicability

5-139 Without the doctrine of instruments of deception, the tort of passing-off goods would hardly ever be committed except by a retailer. The doctrine is therefore at

<sup>438</sup> per James LJ in *Singer v Loog* (1880) 18 Ch D. 395 CA affirmed (1882) 8 App. Cas 15 HL, and approved by Lord Macnaghten in *Reddaway v Banham* [1896] A.C. 199; [1895-9] All E.R. 313; 13 R.P.C. 218 HL.

the heart of almost every action brought against a manufacturer, importer or wholesale dealer in infringing goods. Despite this, the doctrine has received specific consideration in relatively few cases and is not well integrated with the theoretical basis of the tort.<sup>439</sup> Two problems always arise. The first is that a disposal of deceptive goods to a trade purchaser does not cause any immediate damage to the claimant unless the trade purchaser himself was deceived, which is not normally the case. The Court of Appeal in *Draper v Trist*<sup>440</sup> attempted to justify this by saying that the very prospect of spurious goods entering the market is damage enough, but this seems contrived and would cause complications in other areas. The second is that no misrepresentation is necessarily involved in the transaction between the two traders. Dishonest traders may deliberately buy counterfeit goods: if so, they are not deceived. Honest traders may be taken in by counterfeit goods, but are likely to be too experienced and astute to be deceived by less comprehensive imitations of mark or get-up which the general public would not distinguish from the claimant's. This may even reach the point where a trader can distinguish the defendant's goods from the claimant's so readily that he honestly but wrongly believes the public would not be confused.

Even if it can be said that the goods are making a misrepresentation about themselves (which is not always the case), the misrepresentation is an immaterial one if the purchaser is not deceived, and one returns to the objection that actual damage to the claimant is no more than a contingent possibility. In due course it may be assumed that the deceptive goods will be exposed to the public. However, it is well established that in this context the tort of passing-off may be complete long before the deceptive goods are offered for retail sale. Thus, a defendant may be compelled to account for his profits on all deceptive goods supplied to trade customers, notwithstanding that a proportion of the goods would have been disposed of subsequently in a manner which did not deceive the ultimate customers. There is also passing-off in England if deceptive goods are exported, even though any misrepresentation and consequent damage occurs abroad.

The doctrine of instruments of deception therefore requires the definitions of passing-off given by Lord Diplock or Lord Fraser in *Advocaat*<sup>441</sup> to be read in the light of two qualifications. The tort of passing-off may be complete even though no damage has yet occurred and no misrepresentation has yet been made. It is easy to understand what the problem is and how the common law has approached it, but difficult to define the solution in a few simple words. Part of the answer lies in defining passing-off in terms of a misrepresentation calculated to cause damage, rather than treating cases where damage has yet to occur as *quia timet*. In addition, the putting into circulation of inherently deceptive goods is effectively deemed to be a misrepresentation in its own right, even before any purchaser is deceived.

Owing to the fact that liability for issuing inherently deceptive goods is immediate and absolute, the doctrine of instruments of deception cannot be regarded merely as the general law of joint tortfeasorship applied to passing-off, although the two are often likely to go together. However, in all that follows it should be borne in mind that invocation of the doctrine of joint tortfeasorship by the claimant is a

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<sup>439</sup> It was described as "a difficult area of the law" and unsuitable for summary judgment by Arnold J in *Bayerische Motoren Werke AG v Round & Metal Ltd* [2012] EWHC 2099 (Pat); [2012] E.C.C. 28; [2013] F.S.R. 18.

<sup>440</sup> [1939] 3 All E.R. 513; 56 R.P.C. 429 CA.

<sup>441</sup> *Erven Warnink v Townend* [1979] A.C. 731; [1979] 2 All E.R. 927; [1980] R.P.C. 31 HL.

relatively modern innovation, roughly dating from the 1970s.<sup>442</sup> Until 1935,<sup>443</sup> the doctrine was highly disadvantageous to the plaintiff, since obtaining judgment against one joint tortfeasor released all the others, even if the judgment was never satisfied—and potential defendants in passing-off actions tend both to be numerous, and more likely than most to be insubstantial or skilled at hiding their assets. It is therefore not surprising that plaintiffs chose to emphasise that different defendants in the chain of distribution were committing separate torts, for which they were individually liable, and that judges should not have questioned this, if only because of the unfamiliarity of regarding the doctrine as a sword rather than a shield. Now that the former disadvantages of alleging joint tortfeasorship have long since been removed, and the doctrine is well established in all branches of intellectual property law, it is suggested that it provides, albeit retrospectively, a means of bringing a certain amount of coherence to the various cases not involving complete and inherently deceptive goods.

### Goods inherently deceptive

- 5-141 The law regarding inherently deceptive goods is clear. There is strict liability for putting into circulation goods which bear indicia sufficiently close to those distinctive of the claimant for deception to take place when those goods reach the market. It is no defence that the supplier may act honestly and innocently, nor that his immediate customers may not be deceived.

“It has long ago been pointed out in decided cases that it is not upon the *mala mens* towards the first purchaser that the decision of these cases rests. The first purchaser buys the goods cheaper for the very purpose of being able to sell them as *Glenfield Starch*, the means of doing so being put in his hands by his being furnished with goods with this label—I will not say in order that he will deceive, but it is a necessary consequence that he is enabled to deceive others by this means.”<sup>444</sup>

“[N]o man, however honest his personal intentions, has a right to adopt and use so much of his rival’s established trade mark as will enable any dishonest trader, into whose hands his own goods may come, to sell them as the goods of his rival.”<sup>445</sup>

- 5-142 The doctrine was taken to its logical conclusion (and perhaps beyond) in a series of cases on liability when goods bearing the plaintiff’s name, mark or get-up were sold to middlemen. The cases that follow show the consequences of treating passing-off either in terms of property in a trade mark as such, or in terms of fraud. Both are obsolete, although the results have undoubtedly survived into modern law.<sup>446</sup> *Sykes v Sykes*<sup>447</sup> had decided that the defendant was liable for marking powder flasks and shot-belts Sykes Patent and selling them to dealers for resale as the plaintiff’s goods. In *Edelsten v Edelsten*<sup>448</sup> and *Ford v Foster*<sup>449</sup> the respective defendants were ordered to account for all their profits on goods carrying the

<sup>442</sup> The evolution of the doctrine is traced in *MCA Records Inc v Charly Records Ltd* [2001] EWCA Civ 1441; [2002] F.S.R. 26 CA.

<sup>443</sup> Law Reform (Married Women and Tortfeasors) Act 1935.

<sup>444</sup> per Lord Hatherley LC in *Wotherspoon v Currie* (1872) L.R. 5. H.L. 508 HL.

<sup>445</sup> per Lord Watson in *Johnston v Orr-Ewing* (1882) 7 App. Cas. HL.

<sup>446</sup> *My Kinda Town Ltd v Soll* [1983] R.P.C. 15 on the account of profits; *BT v One in a Million* [1999] 1 W.L.R. 903; [1999] E.T.M.R. 61; [1999] F.S.R. 1 CA.

<sup>447</sup> (1824) 107 E.R. 834; (1824) 3 B. & C. 541 (Abbott CJ).

<sup>448</sup> (1863) 1 De G.J. & S. 185, (1863) 46 E.R. 72 (Lord Westbury LC).

plaintiff’s mark sold to middlemen.<sup>450</sup> In *Lever v Goodwin*<sup>451</sup> the defendant was found liable for imitating the get-up, but not the name, of the plaintiff’s soap. The Court of Appeal, following *Edelsten v Edelsten*, rejected an argument that the account of profits claimed by the plaintiff should be limited by reference to the proportion of soap eventually sold to those customers who thought it was the plaintiff’s:

“[T]he whole gist of the complaint against [the defendant] is ‘you have sold a weapon calculated to be used fraudulently by the middlemen’; and the profit for which they must account is the profit which they have made by the sale of soap in that fraudulent dress to the middlemen. It is immaterial how the latter deal with it. If they find it to their benefit not to use it fraudulently, but to sell the soap to the purchasers from them, as *Goodwin’s*, that cannot affect the question whether the sale by the defendants to those middlemen of this soap in a fraudulent dress was a wrongful act.”<sup>452</sup>

References to fraud and similar expressions in the preceding cases should be taken in their historical context. This was before passing-off was recognised as protecting a property right in the plaintiff’s goodwill. In *Weingarten v Bayer*<sup>453</sup> the House of Lords awarded an account of profits on all corsets disposed of by the defendants to the trade in boxes bearing the plaintiff’s distinctive “scroll”, although there can be no doubt that the vast majority of retail sales were made on the strength either of the defendants’ own enormous reputation or that of the descriptive term “Erect Form” which they were free to use. More recently still, *Lever v Goodwin* was followed by the Court of Appeal in *Draper v Trist*.<sup>454</sup> Lord Greene confirmed that the tort was complete when the offending goods were sold to the middleman.

“The defendant in a passing-off action has in the normal case, the simple case, sold a quantity of deceptive goods. Those goods he may have sold direct to a member of the public, the ultimate purchaser, or he may have sold them to a middleman who is himself going to sell them to members of the public, or perhaps to some other trader who, in turn, deals directly with the public. The defendant has therefore put upon the market and sent into the market a quantity of goods which on the face of them, and *ex hypothesi*, are saying something about themselves which is calculated to mislead. That is the very gist of the conception of passing-off.”

Lord Greene went on to identify three categories of middlemen: those who did not realise confusion was likely and who would therefore take no special precautions to prevent it; those who would foresee confusion and take steps to make sure it did not take place; and those who would fail to do so because they intended to benefit from the possibility of confusion. The defendant’s liability did not, in principle, depend on which category his trade customers fell into. What happened after the goods left his hands was relevant only to the measure of damages, and that would be the same whether a particular dealer fell into the first category or the third.

### Goods potentially deceptive

It is important, though not always easy, to draw a line between goods which are calculated to deceive—those which tell a lie about themselves—and those which

<sup>449</sup> (1872) L.R. 7 Ch. 611 CA.

<sup>450</sup> Note that in *Ford v Foster*, the mark had largely ceased to be distinctive in the trade.

<sup>451</sup> [1887] 36 Ch D. 1; 4 R.P.C. 492 CA.

<sup>452</sup> per Cotton LJ in *Lever v Goodwin* [1887] 36 Ch D. 1; 4 R.P.C. 492 CA.

<sup>453</sup> [1904–7] All E.R. 877; (1903) 22 R.P.C. 341 HL.

<sup>454</sup> [1939] 3 All E.R. 513; 56 R.P.C. 429 CA.

may lend themselves to dishonest use but which require a "little additional lever" of falsehood if they are to be passed off.<sup>455</sup> Normally, in the latter case, the situation is that the defendant's indicia are not close enough to those of the claimant to deceive in their own right, but are close enough for there to be passing-off by substitution or express misrepresentation if retailers are so minded. The "additional lever" can take other forms. In South Africa there was passing-off by selling watches marked HOME GAS<sup>456</sup> with the clear intention that retailers should open the glass and obliterate the first and last letters.

There are hardly any goods in existence which cannot be used in a deceptive manner by someone determined to do so. Where the claimant relies on the possibility of dealers deliberately passing the defendant's goods off as his it is necessary for him to prove at least: (1) that such deception by dealers is likely to occur on a significant scale in practice: "I cannot assume all vendors to be knaves, any more than I can assume all purchasers to be simpletons"<sup>457</sup>; (2) that the defendant is contributing to it in some way beyond merely supplying goods which could equally well be used innocently; and (3) that he intended, or at least knew, that his goods were to be used dishonestly.

5-145 The cases make it clear that there is at least a risk of liability if these are made out. What is less clear is whether the liability is as a primary tortfeasor responsible for passing-off in one's own right, or as a secondary infringer jointly liable under the doctrine of joint tortfeasorship for the acts of passing-off committed by the retailers. The authorities are inconsistent and neither explanation fits them all. The problem with the first is that, if true, it would create an exception to the rule that the cause of action in passing-off never depends on the defendant's state of mind. An anomaly of this magnitude is to be avoided if at all possible. It would be more logical to say that if goods are not inherently deceptive then their ultimate supplier is liable as a joint tortfeasor or not at all. This would be consistent with the most recent authority, which is *Cadbury v Ulmer*.<sup>458</sup> Nevertheless, the cases as a whole do not consciously adopt joint tortfeasorship as the test and some of the older ones appear to set the standard of liability rather lower.

5-146 The most recent case in point is *L'Oréal v Bellure*,<sup>459</sup> in which cheap smell-alike or replica perfumes were sold wholesale by the defendants under combinations of name and get-up which might be said to have alluded to the claimants' corresponding brands, but which could not be said to be confusingly similar for the purposes of passing-off. The claimants' principal argument was the error that the defendants were furnishing "instruments of deception" to the retailers or agents who actually sold the replica perfumes to the public. After dismissing the passing-off claims in so far as they were based on the actual smells of the respective products,

<sup>455</sup> The phrase comes from *Brinsmead v Brinsmead* (1913) 30 R.P.C. 493 CA, where it was coined by Buckley LJ.

<sup>456</sup> *Omega, Louis Brandt et Frère SA v African Textile Distributors* 1982 (1) SA 951 (Transvaal). The defendant was a wholesaler, and his liability was treated in the same way as for a manufacturer. *Singer Manufacturing Co v Loog* (1882) 8 App. Cas. 15 HL and *John Walker & Sons Ltd v Henry Ost & Co Ltd* [1970] 1 W.L.R. 917; [1970] 2 All E.R. 106; [1970] R.P.C. 489 followed.

<sup>457</sup> per Joyce J in *Horlicks Malted Milk Co v Summerskill* (1915) 33 R.P.C. 1 affirmed (1916) 34 R.P.C. 63 HL.

<sup>458</sup> [1988] F.S.R. 385 (Falconer J). The test applied is that there is absolute liability if and only if the goods carry a "badge of fraud". However, it is clear that the term is used in the sense of a feature of name, mark or get-up inherently likely to deceive.

<sup>459</sup> *L'Oréal SA v Bellure NV* [2007] EWCA Civ 968; [2008] R.P.C. 9 CA.

Jacob LJ continued<sup>460</sup>:

"The next way passing off is advanced is via the claim of 'instruments of deception'. It is not suggested that the defendants' actual packaging would deceive anyone. The suggestion is that some vendors of the product will exploit the names and packaging and the fact that the products are smell-alike to make false representations of their own. And that if they do so, the defendants are to be taken as responsible for that.

Reliance is particularly placed on *British Telecommunications plc v One in A Million Ltd* ...

The judge rejected the argument. He said, having examined the two key authorities referred to by Aldous L.J., *Singer Manufacturing Co. v Loog* ... and *Lever Brothers Ltd v Goodwin* ...: "Where, therefore, in his general summary Aldous L.J. refers to "instruments of deception", he must, as I see it, have been confining himself to goods that themselves made a false representation (usually by their name or packaging); and, by extension, to intangibles (such as domain names) which did the same thing. Accordingly, I accept Mr Wyand's submission that an "instrument of deception" for the purposes of passing off is an article or product which is so inherently deceptive that its existence on the market place constitutes an actionable passing off. In effect an instrument of deception is a misrepresentation waiting to happen which only needs exposure to the eyes, ears (or in this case nose) of the ultimate consumer to complete the tort."

I agree with the judge. If what is complained of does not inherently tell a lie, it is not an instrument of deception in itself. If it does tell a lie, it is no answer to say, as in effect the defendants in BT and the two old authorities were arguing: 'but there may be circumstances where the lie will not in fact be understood as such.' If a third party down the line says something dishonest about a product honest in itself, the vendor of the honest product is not liable in passing off. Nor do I think Aldous L.J. was saying anything more or different, for he could not otherwise have explained *Lever Brothers Ltd v Goodwin* in the way he did ..."

### Examples

In *Payton v Snelling Lampard*<sup>461</sup> the House of Lords, affirming the Court of Appeal, rejected the plaintiffs' argument that although the coffee tins of the parties could readily be distinguished, dishonest retailers could substitute the defendants' when the plaintiffs' coffee was asked for. It was said of the defendants' tin that the grocer "could wrap it up in paper and put his hand over it" but there was no reason to suppose retailers would be fraudulent in this way, and, if any were, it was through no fault of the defendants who had done all that could reasonably be expected to prevent it.

In *Brinsmead v Brinsmead and Waddington & Sons*<sup>462</sup> the plaintiffs were well known piano manufacturers. The personal defendant was a member of the same family and went into the business himself, although his pianos were inferior, cheaper and aimed at a different market. He marked his pianos with his full name in a different style of lettering to that used by the plaintiffs. Despite this, there was evidence that they were passed off as those of the plaintiffs by dishonest dealers. The Court of Appeal held that he was not liable for the fact that his goods were being used to deceive. Vaughan Williams LJ said that it was the lies of the dealers which had caused the passing-off, and that the fraud was committed not because, but in spite of, his name being on the pianos. The other two members of the Court

<sup>460</sup> *L'Oréal v Bellure* [2007] EWCA Civ 968 at [128]; [2008] R.P.C. 9 CA.

<sup>461</sup> [1901] A.C. 308; 17 R.P.C. 628 HL.

<sup>462</sup> (1913) R.P.C. 493 CA.

did not disagree in principle but found for the defendant on the narrow ground that he had not been fixed with notice of the frauds being carried out by retailers. *Brinsmead v Brinsmead* is therefore inconclusive as to what element is required to make the defendant liable for supplying goods which are passed off by dishonest customers. The answer may well depend on how close the goods come to being inherently deceptive in their own right. It is clear that the Court of Appeal would have found against the defendant if he had intended his pianos to be passed off as those of the plaintiff. Also, it is possible that mere notice that they were being used in that way would have sufficed.

In *Lee Kar Choo v Lee Lian Choon*<sup>463</sup> the defendant copied the plaintiff's labels closely enough to enable substitution, but not so closely that the labels on their own were liable to deceive. The differences were such that a claim for infringement of the plaintiff's registered trade mark failed. Two retailers admitted deliberately passing the goods off to less astute customers. There was no doubt that the defendant had acted dishonestly and the Privy Council found against him on the issue of passing-off.

5-148

The doctrine of instruments of deception is clearly inapplicable if the goods will only come to the attention of the public in a form which has no deceptive significance at all. In *Apollinaris Co v Duckworth*<sup>464</sup> the defendants sold salts from which an imitation of Apollinaris Water could be prepared. The plaintiffs argued that the salts reconstituted with water could be passed off as Apollinaris Water, but the Court of Appeal held that the defendants were not liable for this possibility. Even if the label on the defendants' goods could be said to be deceptive, it would never come to the attention of the customer buying made-up water. In *Star Cycle v Frankenbergs*<sup>465</sup> Star for cycles was distinctive of the plaintiffs. They argued that by selling Midland Star cycles to retailers the defendant was putting an instrument of fraud in their hands. However, the defendant's cycles were not marked with those words, which would never come to the attention of the public. The defendant used them only in his price lists, which circulated in the trade and trade advertisements. Retailers could not be deceived. His motives were not beyond suspicion but there was no liability for passing-off.

"[The defendant] does not attach to the articles which he sells to the trade anything by way of description of mark which in any way assists his purchaser to mislead the public as to the articles they are buying from the person who has bought from the defendant. I agree that if he makes misrepresentations to the purchaser, or if he puts into the hands of the purchaser a weapon to enable him to mislead the public there is a ground for an injunction. Neither of those circumstances exists here."<sup>466</sup>

#### Exports of deceptive goods

5-149

When deceptive goods are exported from England liability can arise under two heads. Under the doctrine of instruments of deception the tort of passing-off is complete when deceptive goods are exported from or disposed of in England, even though they may be destined for a foreign market. It is necessary to prove that the goods are such as would deceive ultimate purchasers in that market. The claimant must therefore prove that his mark (etc.) is distinctive in that market and that the

<sup>463</sup> [1967] 1 A.C. 602; [1966] 3 All E.R. 1000 PC.

<sup>464</sup> (1906) 23 R.P.C. 540 CA.

<sup>465</sup> (1907) 24 R.P.C. 405 CA.

<sup>466</sup> per Buckley LJ.

defendant's conduct is calculated to deceive there. These are purely relevant as matters of fact: the claimant does not have to prove that the defendant's conduct infringes any local law. As an entirely separate matter, there may also be liability under the relevant foreign law.

The origin of liability for exporting instruments of deception in modern law may be taken as the decision of the House of Lords in *Johnston v Orr-Ewing*.<sup>467</sup> The plaintiffs were a firm with a considerable business in exporting yarn to India and Aden. The defendants copied the plaintiffs' label for yarn exported by them to the same market. The House of Lords granted an injunction and an account of profits. That the goods of both parties were exported was significant only in that the plaintiffs had to prove distinctiveness and likelihood of deception in the relevant foreign markets. There was no mention of local law or of private international law principles. The case was treated as raising exactly the same legal issues as in cases such as *Wotherspoon v Currie*,<sup>468</sup> in which a manufacturer disposed of deceptive goods to retailers within the jurisdiction.

Following *Johnston v Orr-Ewing*, cases involving the export of goods marked or got up in a deceptive manner became so routine that many refer only in the most incidental manner to the fact that England was not the relevant market. Examples are *Wilkinson v Griffith*<sup>469</sup> where French polish was exported to India; *Reddaway v Banham*<sup>470</sup> where the plaintiffs' industrial belting was apparently exported to many countries, but the crucial evidence of fraud related to India; candles exported to Morocco in *Price's Patent Candle Co v Ogston & Tennant*<sup>471</sup>; pens to various South American markets in *Perry v Hessin*<sup>472</sup>; and sweets to the United States in *Tavener Ruleage v Specters*.<sup>473</sup> In *George Ballantine v Ballantyne*<sup>474</sup> passing-off of whisky was found in England, but not, on the facts, abroad. The rationale behind these cases, though not often stated explicitly, is that liability for passing-off is complete at the latest upon the defendant exporting from England goods which will deceive in the foreign market. The tort has been committed by the time the goods leave England, and English law therefore governs.

5-150

In Scotland, confirmation that liability for the export of deceptive goods arises under the law of the place from which the goods are exported is to be found in *William Grant v Glen Catrine Bonded Warehouse*.<sup>475</sup> On an interim motion to strike out the part of the claim dealing with exports, Lord Abernethy rejected the defenders' argument that liability arose, if at all, under the former double actionability rule of *Phillips v Eyre*.<sup>476</sup> He ruled that the pursuers did not have to plead or prove that the defenders' conduct would have been actionable in any of the numerous jurisdictions to which they exported and where the pursuers claimed, in general terms, to

5-151

<sup>467</sup> (1882) 7 App. Cas. 219 HL. The *Collins Co v Brown*, *Collins v Cohen* (1857) 69 E.R. 1174 are earlier but their reasoning, based solely on fraudulent intent, is obsolete and they contributed little to how the law developed.

<sup>468</sup> (1872) L.R. 5 H.L. 508 HL.

<sup>469</sup> (1891) 8 R.P.C. 370 (Romer J).

<sup>470</sup> [1896] A.C. 199; [1895-9] All E.R. 313; R.P.C. 218 HL.

<sup>471</sup> (1909) 26 R.P.C. 797 (Lord Johnston, Court of Session).

<sup>472</sup> (1912) 29 R.P.C. 509 CA. The action failed on the facts.

<sup>473</sup> [1959] R.P.C. 355 CA.

<sup>474</sup> [1959] R.P.C. 273 CA.

<sup>475</sup> *William Grant v Glen Catrine Bonded Warehouse (No 1)* was an unsuccessful interim application to strike out the claim in so far as it related to exports: 1995 S.L.T. 936 (Lord Abernethy, Outer House); (*No 2*) at trial (Lord Cameron, 18 August 1999, unreported); (*No 3*) on reclaiming motion to the Inner House 2001 SC 901; 2001 S.L.T. 1419 (Inner House).

<sup>476</sup> (1870) L.R. 6 Q.B. 1.

have a goodwill to protect. At trial, the Lord Ordinary found that the defenders were liable for passing off their gin and vodka as the produce of the pursuers both in Scotland and abroad, and these findings of fact were not challenged on appeal. Before the Inner House, the defenders renewed the argument that they should not be interdicted from exporting to any countries where the applicable law did not prevent them from passing off their spirits as those of the pursuers. The Inner House dismissed the argument quite briefly<sup>477</sup>: interdicts in this form had been granted for over a century, and there were no cogent reasons for departing from the practice. The legal basis for the complaint was not that the defenders were passing off their goods in overseas territories that might know no such law, but that a tort had been committed in Scotland which was complete even before the goods were exported. There was no need to consider whether a wrong would have been committed in the foreign market. An argument that the interdict contravened art.29 (formerly art.34) of the EC Treaty (in so far as exports to the European Union were affected) was also dismissed.

### Incautious printers, suppliers and agents

5-152 The doctrine of instruments of deception as it is normally understood imposes liability on traders who release deceptively marked goods into circulation. The question then arises of whether the concept is wide enough to cover not just complete merchandise as it will be sold to end users, but labels, packages and the like which carry indicia which will eventually deceive. Relatively few passing-off actions have involved printers, packaging suppliers or similar third parties who find themselves involved in passing-off directed by another. Although the authorities are not entirely consistent, it is suggested that the concept of instruments of deception only covers goods which are substantially complete and ready to be released into circulation. Wrappers, labels, containers and packaging, even if they carry the claimant's marks, ought not to be regarded as instruments of deception in their own right. On this analysis, the supplier of such items is not liable for passing-off as such but only for joint tortfeasorship with his customer if he knew of the use of which the material would be put and shared with him a common design to infringe. As a separate matter, even innocent possessors of such material may be compelled to surrender it under the equitable protective jurisdiction. A fortiori, there should be no primary liability in passing-off for supplying goods such as the salts in *Apollinaris Co v Duckworth*<sup>478</sup> which may perhaps be used for passing-off in respect of any indicia they may bear.

5-153 The best starting point is probably the decision of the Court of Appeal in *Paterson Zochonis v Merfarken*.<sup>479</sup> Printers were instructed by a fraudulent third party to make up cartons and leaflets in imitation of those used by the plaintiffs for their Venus de Milo skin cream. The third party must have been guilty of passing-off. As against the defendant printers the plaintiffs claimed for copyright infringement and for negligence in that the defendants supposedly owed a duty of care to the plaintiffs which had been broken by failing to enquire as to the purpose to which the cartons and labels would be put. The plaintiffs claimed to be able to recover, as damages under one or both of these heads, the loss they had suffered from the

<sup>477</sup> Citing the 2nd edn of the present work and approving the interim judgment of Lord Abernethy, 1995 S.L.T. 936.

<sup>478</sup> (1906) 23 R.P.C. 540 CA.

<sup>479</sup> [1983] F.S.R. 273 CA.

passing off committed by the third party. The Court of Appeal struck out all of the statement of claim except for the bare allegation of copyright infringement. On the claim that the defendants were liable in damages for the passing off committed by the third party, the Court held that to supply materials for incorporation into an infringing article was tortious only in extreme cases, not including the present one. There was no general obligation upon a trader to satisfy himself that goods supplied by him would not be used to facilitate some dishonest purpose.

*Paterson Zochonis v Merfarken* was followed by Falconer J in *Cadbury v Ulmer*<sup>480</sup> where the defendants successfully applied to strike out a statement of claim based on their supplying to middlemen bars of chocolate which retailers could pass off as Cadbury's Flake bars. It is also consistent with dicta of Harman J in *Saper v Specter's*<sup>481</sup> in which he doubted if the manufacturers of sweet boxes said to resemble those of the plaintiffs would have been liable even if the first defendants, their customers, had not won the action on the issue of confusion. In *Stringfellow v McCain*<sup>482</sup> at first instance Whitford J dismissed the action against the first defendants' advertising agents, saying he was at a loss to understand why they had been joined. The justification advanced was that they were said to have acted as principals in booking television time for a deceptive advertisement. The Court of Appeal did not address the issue because they found for the first defendants on the merits. In *Bayerische Motoren Werke v Round & Metal*<sup>483</sup> Arnold J refused summary judgment for passing off against a company which supplied BMW-branded stickers with unbranded replica wheels, observing:

BMW's passing off claim relates to the logo stickers. There is no dispute that BMW has a substantial reputation in each of the logos. The issue is whether R&M's supply of the stickers gave rise to an actionable misrepresentation. Counsel for BMW argued that it did . . . . Counsel for the defendants disputed this. In my view this dispute involves a difficult area of the law of passing off, namely the doctrine of instruments of deception (see Wadlow, *The Law of Passing Off* (4th edn) at §§5-140 to 5-174), yet neither counsel even mentioned that doctrine or cited any of the relevant authorities. Since I have concluded that the acts in question infringe BMW's Community Trade Marks, it does not appear to me to be necessary to reach a conclusion on the passing off claim, and I prefer not to do so in the absence of full argument."

### Printers, suppliers and agents (2)

5-154 There are some cases which might have imposed more stringent liability on the suppliers of deceptive labels or containers. Most of these have involved the practice of exporting Scotch whisky to countries where it will be mixed with local spirit and sold as genuine Scotch. However, it is convenient to begin with a dictum of Cotton LJ in quite different circumstances.

"[I]f a man does that, the necessary consequence of which (although it does not deceive the person with whom he deals, and is therefore no misrepresentation to him) is to enable that other person to deceive and pass off his goods as somebody else's, for that he is answerable. But this is confined to those things which in their necessary or natural uses

<sup>480</sup> [1988] F.S.R. 385 (Falconer J).

<sup>481</sup> (1953) 70 R.P.C. 173 (Harman J), distinguishing *Farina v Silverlock* (1855) 69 E.R. 560, (1855) 1 Kay & J. 509 reversed (1856) 43 E.R. 1214; (1856) 6 De G.M. & G. 214; (1858) 70 E.R. 270; (1858) 4 Kay & J. 650.

<sup>482</sup> [1984] R.P.C. 501 reversed *ibid.*, CA.

<sup>483</sup> [2012] EWHC 2099 (Pat); [2012] E.C.C. 28; [2013] F.S.R. 18 (Arnold J).

accompany the things sold. For instance, the corks of *Champagne* marked 'Moët & Chandon' must be in the bottles sold, and must accompany the bottles. They must necessarily accompany the thing to the retail buyer, and so must labels to be put on the bottles. The very reason for their existence is that they must be put on the bottles, and, if they are deceptive and fraudulent, then the person who prepares them is answerable for it.<sup>484</sup>

This was cited in *John Walker v Douglas McGibbon*<sup>485</sup> as if it meant that the suppliers of the corks or labels were liable in their capacity as such, but it is doubtful if this is what Cotton LJ intended. His purpose must have been to compare the behaviour of Loog to a familiar and uncontroversial situation,<sup>486</sup> and it is suggested he had in mind the liability of the person who caused the labels to be printed, the bottles to be filled and corked, and the whole assemblage to be released into circulation. This was the interpretation implicitly given to the passage in *John Walker v Henry Ost*<sup>487</sup> where Foster J quoted it and went on to say that none of the cases cited to him had dealt with liability arising before the mark was affixed to the article sold.

5-155 Of the older cases, the few express authorities who would have imposed liability do not take the matter much further. In *Guinness v Ullmer*<sup>488</sup> (which is very briefly reported) an injunction was granted against the engravers of blocks from which counterfeit labels had been printed.<sup>489</sup> The defendants appear to have been innocent. In *Farina v Silverlock*<sup>490</sup> a complicated series of cases ended with an injunction being granted against a printer who had printed copies of the labels on the plaintiff's Eau de Cologne bottles and offered them to all and sundry. There was a slight legitimate market for re-labelling genuine bottles which had lost their labels, although the case probably turned on the fact that the defendant asserted a right to continue doing so despite knowing that they would be used fraudulently. In *BT v One in a Million* Aldous LJ approved and explained the reasoning of the latter<sup>491</sup>:

"Trade mark infringement and passing off was alleged in *Farina v Silverlock* . . . Sir William Page Wood V.-C. explained the law on trade marks and passing off. He went on to point out that the defendants, when they sold the offending Eau de Cologne labels, had made it clear to the purchasing retailers that they were produced by them and not by the plaintiff. Thus no misrepresentation was made to the retailers; they were not deceived. However an injunction was granted against the defendants. Sir William Page Wood V.-C. said . . . :

'But if it be stated that the defendant is manufacturing that which is known to be the

<sup>484</sup> *Singer Manufacturing Co v Loog* (1880) 18 Ch D. 395 affirmed (1882) 8 App. Cas. 15 HL, per Cotton LJ, distinguishing the facts of the case before him in which the defendant used the name Singer only on his trade price lists which would never come to the attention of the public.

<sup>485</sup> [1975] R.P.C. 506 (Lord Avonside, Court of Session).

<sup>486</sup> As James LJ did in the passage quoted at para.5-137.

<sup>487</sup> [1970] 1 W.L.R. 917; [1970] 2 All E.R. 106; [1970] R.P.C. 489 (Foster J).

<sup>488</sup> (1847) 10 L.T. O.S. 127.

<sup>489</sup> In *BT v One in a Million* [1999] 1 W.L.R. 903; [1999] E.T.M.R. 61; [1999] F.S.R. 1 CA, Aldous LJ treats *Guinness v Ulmer* as an early case of unregistered trade mark infringement, rather than passing-off in the modern sense. Another old case, *Jameson v Johnston* (1901) 18 R.P.C. 259 (Ireland), is hard to understand. The short judgment lacks proper reasoning and may have turned on infringement of the plaintiff's registered marks. It is so treated in *BT v One in a Million*.

<sup>490</sup> (1855) 69 E.R. 560; 1 Kay & J. 50 reversed (1856) 43 E.R. 1214; 6 De G.M. & G. 214; (1858) 70 E.R. 270; 4 Kay & J. 650. Page-Wood VC granted an interlocutory injunction but it was discharged on appeal by Lord Cranworth LC until the plaintiff established his right at law. He obtained nominal damages from a jury and the defendant was refused a new trial. Finally, Page-Wood VC granted a permanent injunction.

<sup>491</sup> [1999] 1 W.L.R. 903; [1999] E.T.M.R. 61; [1999] F.S.R. 1 CA.

trade mark which the plaintiff alone has the right to use, and the use of which on the goods of a third party would be a fraud upon the plaintiff; and that the defendant is selling such labels to anyone who asks for them, and is thus scattering over the world the means of enabling parties to commit frauds upon the plaintiff, and that such frauds have been committed; that is, I think, a sufficient averment to entitle the plaintiff to an injunction. The ground of the jurisdiction being fraud, if the defendant be committing fraud, either by selling goods under the plaintiff's trade mark, or enabling others to do so by distributing the means of doing so, it cannot be said that this court has no power to interfere by injunction to arrest the evil at its source, without compelling the plaintiff to wait until the whole fraud is brought to a completion by the sale of the goods.<sup>7</sup>

The defendant might have been a joint tortfeasor with the retailers, but Sir William Page Wood V.-C. indicated that an injunction was appropriate even where the fraud was to be committed by another person. He said the jurisdiction was based on fraud and an injunction would be granted to, inter alia, prevent the defendant from enabling passing off.

The injunction in *Farina's* case was dissolved on appeal . . . , but was followed by a trial at which the jury found for the plaintiff. The plaintiff renewed his application for an injunction before Sir William Page Wood V.-C. and the injunction was granted in its original form."

*John Walker v Henry Ost*<sup>492</sup> itself involved the supply by one defendant to Ecuador of malt whisky, bottles, labels and cartons, knowing the whisky would be adulterated with local spirit and sold in the deceptive containers. Before turning to the argument that there was any breach of Ecuadorian law, Foster J held that a tort had been committed in England by selling those goods knowing the whisky would be adulterated and sold in those containers as Scotch. No tort under English law would have been committed if the same goods had been sold for export without the supplier knowing they would be used deceptively. This cannot be joint tortfeasorship, because Foster J had yet to decide that a tort had been committed in Ecuador. The reasoning is that the established doctrine of complete goods as instruments of deception should be extended to fit the facts of the case, but at the cost of making the defendant's state of mind an essential element of the cause of action.

*John Walker v Douglas McGibbon*<sup>493</sup> virtually duplicated the facts and result of the previous case. It is reported on what would have been, in England, an application to strike out the statement of claim as disclosing no cause of action. This was rejected but the reasoning does not mark any advance on *John Walker v Henry Ost*. It amounts to saying that it is tortious under Scottish law to do any acts in Scotland which result in another party doing in Honduras what would be passing-off if done in Scotland, but is not even alleged to be illegal where done. *White Horse Distillers v Gregson*<sup>494</sup> did go one step further, but that step has subsequently been disapproved.<sup>495</sup> The plaintiffs argued that the defendants were liable, as a matter of the English law of passing-off, for exporting bulk malt whisky to Uruguay without taking precautions to see that it was not used deceptively in the country of destination. Nourse J rejected such a wide submission but described the bulk whisky as an "inchoate instrument of deception" for the export of which the defendant could be made liable in appropriate circumstances. If the defendant not only supplied the goods, but played a part in their deceptive marketing abroad, he had committed a tort in England.

<sup>492</sup> [1970] 1 W.L.R. 917; [1970] 2 All E.R. 106; [1970] R.P.C. 489 (Foster J).

<sup>493</sup> [1975] R.P.C. 506 (Lord Avonside, Court of Session).

<sup>494</sup> [1984] R.P.C. 61 (Nourse J).

<sup>495</sup> In *BT v One in a Million* [1999] 1 W.L.R. 903; [1999] E.T.M.R. 61; [1999] F.S.R. 1 CA.

design, still less against one of a glass tumbler the same shape as the fez. In *Parker-Knoll v Knoll International*<sup>206</sup> the plaintiffs successfully argued that Knoll was the truly distinctive half of their name Parker-Knoll, but in other circumstances can it be doubted that Parker, or its double-barrelled nature, would have been emphasised?

As there can be so many different expressions of the idea underlying a mark or sign, care must be taken on two counts. The first is that it is not sufficient for the claimant's sign in the precise form used to be prima facie distinctive. What matters is whether the central feature or idea remains distinctive at whatever degree of abstraction is contemplated. As well as the pictorial mark cases this can arise for verbal marks. In the *Office Cleaning*<sup>207</sup> case the plaintiffs traded as Office Cleaning Services and the defendants as Office Cleaning Association. It could be said that there was no real distinction between the names at all, as both provided services and neither was an association. If the names had been arbitrary then the difference in the third word could hardly have outweighed the identity of the first two. However, the only "idea of the mark" the plaintiffs could claim was that of cleaning offices, and that was wholly descriptive of the work both performed. What distinctiveness there was could lie only in the precise form of words used, and in that respect there was sufficient distinction. The second point is that the absence of circumstances which would destroy its distinctiveness does not prove that any particular expression of the idea behind a mark actually corresponds to what the public recognise as distinctive in the mark, and it is the state of the public mind that matters.

### Examples

8-59

In *Hodgson & Simpson v Kynock*<sup>208</sup> the plaintiffs sold soap under various marks incorporating the word "Lion" and in some cases the device of a lion.<sup>209</sup> The most popular grade, Red Lion Soap was habitually ordered simply as Lion Soap. The defendants were restrained from selling various brands of soap (such as Victory) in wrappers which were generally dissimilar to those of the plaintiffs but on which pictures of lions' heads were prominent.

In *Juggi Lal-Kamlapat v Swadeshi*<sup>210</sup> the plaintiffs used a lotus flower and the words Lotus Brand for their cloth. They complained of two labels of the defendants. One had a lotus flower as a prominent feature. The other included a rose instead of a lotus and the words "Flower Brand". The Privy Council upheld injunctions on both counts. The defendants' marks "though if critically looked at by a person of such literacy as to have critical powers of observation, would not be confused, yet would be apt to be confused by the illiterate and unobservant."

The plaintiffs in *Noordin v Kareem*<sup>211</sup> imported sarongs which they sold under a label carrying a picture of a fez and the words "Chop Topi", meaning hat brand. The plaintiffs sought, but failed, to prove that "their goods were known and asked for as *Chop Topi* goods ... so that sarongs offered for sale under any label which contained, or contained as its distinctive feature, a hat or cap, would be confused with and taken for sarongs of the plaintiff."

<sup>206</sup> [1962] R.P.C. 265 HL.

<sup>207</sup> [1946] 1 All E.R. 320; 63 R.P.C. 39 HL.

<sup>208</sup> (1898) 15 R.P.C. 465 (Romer J).

<sup>209</sup> The plaintiffs' wrappers are not illustrated in the report, and it is the word mark to which attention was given.

<sup>210</sup> (1928) 46 R.P.C. 74 PC, per Lord Dunedin.

<sup>211</sup> (1931) 48 R.P.C. 491 PC, per Lord Russell of Killowen.

8-60

In *Australian Woollen Mills v Walton*<sup>212</sup> Caesar and the device of a Roman soldier on horseback facing the reader were not likely to be confused with Crusader and the device of a crusader on a horse sideways on. The plaintiffs failed to show that the idea of the mark was simply that of a man or soldier on a horse.

In *Subbiah Nadar v Kumavaral Nadar*<sup>213</sup> the plaintiff claimed that cheap cigarettes whose label consisted of a picture of him were known as Photo Mark. The defendant's mark was a generally similar portrait of the defendant himself. A defence of antecedent or concurrent user failed on the facts, the only possible inference being that the defendants were guilty of deliberate copying. The Privy Council held that there was infringement of the plaintiffs' trade mark but that the evidence fell far short of showing that Photo Mark exclusively denoted the plaintiffs. The refusal to grant an injunction against passing-off is surprising when the labels were deliberately made deceptively similar. The plaintiffs seem to have set too high a target for themselves and suffered accordingly.

### The circumstances of the sale

The way in which goods or services are supplied has a major effect on the likelihood of deception occurring. More generally, so does any other context in which the parties' respective names or marks will come to the attention of those likely to be influenced by them. Different issues may arise according to whether the goods are bought in person, by telephone or post, or by messengers such as children or (formerly) servants. Other circumstances are also to be taken into account. For instance pubs are crowded, noisy and busy, so mistakes are more likely to be made and less likely to be noticed.<sup>214</sup> Cases involving newspapers and magazines show a tendency towards the belief that readers will distinguish between the parties through content and appearance despite strong similarities in name. This may probably be justified in so far as readers have strong loyalties and buy each title so often as to recognise even small details.

If the goods are bought over the counter from an assistant then they are likely to be requested by name, so that aural similarity assumes importance. Get-up and essentially visual marks are likely to be relevant only to the extent that they would obviate deception, and that depends on the customer having and exercising the opportunity to examine the goods. This is even more so if the purchaser is buying on behalf of another or on recommendation. If self-service predominates, then get-up and visual marks assume greater importance but without altogether displacing the brand name. In the *Jif Lemon* case, *Reckitt & Colman v Borden*,<sup>215</sup> it was relevant that the competing brands of plastic lemon would not often be stocked side by side because supermarkets normally carried only one brand of lemon juice. Consumers would therefore have no opportunity to compare one brand to the other to refresh their memory. It was also relevant that the distinguishing feature between the two brands was a label, which was in the form of an easily detachable collar. By the time a customer came to replace an empty Jif lemon, the collar would probably have disappeared and the immediate point of comparison would be a bare plastic lemon without its label.

<sup>212</sup> (1937) 58 C.L.R. 641 (High Court of Australia).

<sup>213</sup> (1946) 63 R.P.C. 187 PC.

<sup>214</sup> *Montgomery v Thompson* [1891] A.C. 217; 8 R.P.C. 361 HL, per Lord Macnaghten; *Löwenbrau München v Grunhülle Lager International Ltd* [1974] R.P.C. 492; [1974] F.S.R. 1; [1974] 1 C.M.L.R. 1. Quotation marks around "mistakes" may be implicit.

<sup>215</sup> [1990] 1 W.L.R. 491; [1990] 1 All E.R. 873; [1990] R.P.C. 340 HL.

Sales assistants are in a position to substitute the defendant's goods for those asked for, and if the goods are inherently deceptive or the defendant lacked bona fides this may be taken into account. If orders are placed by telephone then the importance of aural similarity is increased,<sup>216</sup> but an ambiguous order can be clarified at once, which is not the case if the order is by post. In all cases of sales responding to postal or telephone orders the customer is put to major inconvenience in returning goods which are not what he wanted, even if he recognises the fact.

8-62

The defendant may attempt to rely on the fact that his goods are sufficiently distinct for customers to recognise them before consuming them or putting them into use. However, if there was deception at the time of sale, the possibility of the goods being returned is no defence. This applies with special force to mail order<sup>217</sup> but it can also be true for ordinary retail sales. "Who would kick up a fuss over a 4d loaf which was to all intents and purposes what they wanted" asked Roxburgh J in a case where loaves of bread clearly marked Nutrex were substituted in response to orders for the plaintiffs' Procea.<sup>218</sup> In *Kimberley-Clark v Fort Sterling*<sup>219</sup> what mattered was that at the point of sale the slogan "Softness guaranteed (or we'll exchange it for Andrex®)" on promotional packs of the defendants' Nouvelle brand of toilet tissue was likely to deceive significant numbers of consumers. Many would simply notice the prominent use of Andrex, and pay little or no attention either to the implication that Nouvelle and Andrex were rival brands, or to a disclaimer in very small type. There was uncontradicted evidence that the time taken by a consumer to select goods such as toilet paper in a supermarket was about 10 seconds.

#### Defendant's goods or business distinguished

8-63

The law of passing-off does not create a monopoly in any name, mark or get-up, no matter how prestigious or distinctive. In theory, it is always open to a competitor to use the claimant's mark but to avoid liability by adequately distinguishing his own goods, services or business.<sup>220</sup> Whether this is possible in practice is another matter,<sup>221</sup> and an injunction may be granted in unqualified form if the court is convinced that any attempt to distinguish would be insincere or doomed to failure.<sup>222</sup> In *Asprey & Garrard v WRA*<sup>223</sup> the Court of Appeal observed of an express disclaiming notice that Jacob J "was entitled to draw on his considerable experience in this field to say that such disclaimers hardly ever work."

If the claimant relies primarily on verbal or device marks then it is common for the defendant to claim that his get-up or the appearance of the goods themselves is

<sup>216</sup> As in *Morcream Products Ltd v Heatherfresh (Foods) Ltd* [1972] R.P.C. 799 (Everfresh, Heatherfresh).

<sup>217</sup> *Pearson Bros v Valentine & Co* (1917) 34 R.P.C. 267; *Purefoy Engineering Co Ltd v Sykes Boxall & Co Ltd* (1954) 72 R.P.C. 89 CA.

<sup>218</sup> *Procea Products Ltd v Evans & Sons Ltd* (1951) 68 R.P.C. 210. See also *Montgomery v Thompson* [1891] A.C. 217; 8 R.P.C. 361 HL and *Du Cross v Gold* (1912) 30 R.P.C. 117.

<sup>219</sup> [1997] F.S.R. 877 (Laddie J).

<sup>220</sup> See Lord Greene in *Saville Perfumery v June Perfect* (1941) 58 R.P.C. 147 CA, affirmed *ibid.*, HL.

<sup>221</sup> See *Powell v Birmingham Vinegar Brewery Co* [1897] A.C. 710; 14 R.P.C. 721 HL, where a business which had successfully revoked the plaintiff's trade mark and had been warned it could hardly use it without passing-off, was in due course enjoined.

<sup>222</sup> *Montgomery v Thompson* [1891] A.C. 217; 8 R.P.C. 361 HL.

<sup>223</sup> [2002] F.S.R. 30 (Jacob J) affirmed [2001] EWCA Civ 1499; [2002] E.T.M.R. 47; [2002] F.S.R. 31 CA.

sufficiently distinctive to avoid liability, but not often with success.<sup>224</sup> The converse argument more often prevails, in that differences in brand name are more likely to outweigh similarities in get-up. Whether the distinguishing matter is effective or not depends on all the circumstances in which it is alleged passing-off is liable to take place.<sup>225</sup>

The misrepresentation in the traditional form passing-off is that there is some connection between the claimant and defendant which is likely to cause damage to the claimant. The strongest example of this is where the public believe the parties to be one and the same. What steps the defendant must take to distinguish himself depends on this. If the public fail to distinguish the parties at all, then it must be idle for the defendant to give his full name<sup>226</sup> or to use forms of words such as "no connection with any other business", because the public do not recognise that more than one business exists. Conversely, if the tenor of the misrepresentation is that there is a connection between two separate businesses then use of the defendant's own name, mark or get-up will not necessarily correct the situation: the public already appreciate the defendant's separate identity and no amount of emphasis of that will necessarily rebut the belief that there exists a link with the claimant.

If goods are not always collected by the customer in person, then even radically different appearance or get-up will not necessarily suffice to distinguish if the brand names are identical.<sup>227</sup> The same applies if the claimant's goods are well-known by name but not by appearance, as may be the case for exotic or luxury goods infrequently purchased by any individual, or where the goods are purchased on recommendation. For appearance or get-up to distinguish effectively three requirements must be met: the claimant's get-up must be sufficiently well-known to the customer in advance, the defendant's get-up must be sufficiently different for it to be obvious that the goods are not those of the claimant, allowing for imperfect recollection, and the sale must take place in circumstances where the difference will come to the attention of the purchaser in time.

In *Fisons v Godwin*<sup>228</sup> Brightman J observed:

"If the *Fisons* 'Gro-bag' had not contained the name '*Fisons*' or if the name '*Godwins*' had not been so prominently displayed, I might well have reached a different conclusion, but I doubt whether the defendants could have done much more to signify to a buyer that he was looking at a product of *Godwins* and not at a product of *Fisons*."

When what is in issue is the get-up or trade dress of the goods themselves, as opposed to their packaging, then there are strong policy reasons for recognising the distinguishing value of brand names or other marks, since otherwise the claimant may obtain a de facto monopoly in a useful or attractive design or feature. In this

<sup>224</sup> An unusual exception is *TGI Friday's Australia v TGI Friday's Inc* [1999] FCA 304, 45 I.P.R. 43 (Federal Court of Australia, Full Court) in which dissimilarities in the get-up of premises outweighed near identity of names.

<sup>225</sup> See the judgment of Parker J in *Iron-Ox v Co-op* (1907) 24 R.P.C. 425; compare *World Athletics and Sporting Publications Ltd v ACM Webb (Publishing) Co Ltd* [1981] F.S.R. 27 CA.

<sup>226</sup> As in *Edge v Nicolls* [1911] A.C. 693; 28 R.P.C. 582 HL and *Saville Perfumery v June Perfect* (1941) 58 R.P.C. 147 HL. Far from removing the cause of the misrepresentation, this may lead the public to believe that the person they know only by reputation is at last revealing himself under his true colours.

<sup>227</sup> *Powell v Birmingham Vinegar Brewery* [1897] 710; 14 R.P.C. 721 HL.

<sup>228</sup> [1976] R.P.C. 563.

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respect the Australian decisions in *Parkdale v Puxu*<sup>229</sup> and *Philips v Remington*<sup>230</sup> are to be preferred to that of the South African Supreme Court in *Weber-Stephen Products Co v Alrite Engineering*.<sup>231</sup>

Comparative advertising, which is permitted in principle by the law of passing-off, more often involves use of the claimant's name or mark in the defendant's advertising than on the defendant's goods themselves. Once again, an issue of policy is involved although not to the point of creating an absolute right to use the claimant's name or mark regardless of the consequences. In *Kimberley-Clark v Fort Sterling*<sup>232</sup> the defendants' use of the plaintiffs' mark Andrex on promotional packs of their toilet paper, though it may have been legitimate in principle, amounted to passing off because a significant number of consumers would have assumed that the defendants' Nouvelle brand was one of the plaintiffs' products.

#### D. DESCRIPTIVE AND GENERIC TERMS

##### Introduction

8-66

The authorities on descriptive terms, which may be single words or whole phrases, constitute one of the largest individual categories of reported cases in the law of passing-off. Many are of interest only on their specific facts or as illustrating their historical context. Since at least as early as *Reddaway v Banham*<sup>233</sup> the law has recognised that a word or phrase which is apparently descriptive may acquire what is called secondary meaning and become distinctive of the claimant's goods, services or business. However, there are important differences in the way the law treats descriptive terms as opposed to arbitrary marks such as "fancy" words, visual marks and get-up.

A mark which is prima facie descriptive will only be protected if it can be shown to have acquired secondary meaning: that is to say, if it has become distinctive of the claimant. Of course, distinctiveness is an essential precondition for all marks, whether initially descriptive or "fancy", but the burden of proof is significantly higher for prima facie descriptive terms. So much so, that the decision to categorise a term as "descriptive" or "fancy" has often been treated as virtually determinative of the whole action, with the predictable consequence that the decision may be taken with one eye on the final result. Many obviously descriptive terms have been labelled "fancy" so as not to let an unmeritorious defendant off the hook. It is arguable that the law has sometimes been too ready to attribute distinctiveness to fancy terms on the strength of very slight user, and too slow to protect those which are descriptive in origin.

As an entirely separate matter, a term may be descriptive in the sense that it is the name of the goods themselves. In other words, it is generic, although that word is not often used in the older decided cases. Generic names are often also prima facie descriptive, although this is no more than a coincidence arising from the tendency of traders in many fields of business to favour descriptive or suggestive terms. If a term is the name of the goods as such, it cannot simultaneously denote any particular trade source. It may therefore be used in respect of goods of that sort by any competing trader without there being passing-off.

<sup>229</sup> (1982) 149 C.L.R. 191, a decision under the Trades Practices Act 1974.

<sup>230</sup> [2000] FCA 876; 48 I.P.R. 257 (Federal Court of Australia, Full Court).

<sup>231</sup> [1992] R.P.C. 549; 1992 (2) SA 489.

<sup>232</sup> [1997] F.S.R. 877 (Laddie J).

<sup>233</sup> [1896] A.C. 199; [1895-9] All E.R. 313; 13 R.P.C. 218 HL.

8-67

The defendant likewise cannot be prevented from unambiguously using a descriptive term in its original descriptive sense, unless it has wholly lost that descriptive sense and become distinctive of the claimant in every context. More usually, some vestige of descriptive meaning remains even after the term has acquired enough secondary meaning to be protected as the claimant's trade mark. Equivocal or ambiguous use will be restrained and often indicates lack of good faith, but if the defendant's use of the term is clearly and accurately in a descriptive rather than a trade mark sense then there is no misrepresentation to restrain. Passing-off gives no monopoly rights to words or marks of any sort, and this is all the more important when the term is (or was once) in common use outside its capacity as the claimant's trade mark.

Even if the claimant succeeds in proving that a prima facie descriptive term has acquired some degree of secondary meaning, he will find that the scope of protection for his mark is narrower than for a wholly arbitrary term. There is a rule of law that relatively minor differences will suffice to distinguish the defendant's goods or business when both use a mark which is descriptive of the goods or services they provide. This applies even though the defendant is using the closely similar term in a trade mark sense. *Office Cleaning Association* was sufficiently different to *Office Cleaning Services* even though it was the trading name of the defendant.<sup>234</sup> The plaintiff was free to choose a name of higher inherent distinctiveness, and the penalty for his failing to do so was that a degree of confusion would be tolerated as the only alternative to giving him an unfair monopoly.

The term "secondary meaning" is often used as synonymous with "distinctiveness" and to that extent is a term of art. However, it is potentially misleading, especially when the sign in issue never had any or any relevant, primary meaning, as with "fancy" words and most visual marks. In this work its use is avoided where possible except in the context of prima facie descriptive terms.

##### Generic terms: the name of the goods

A trader who introduces goods or services which are novel enough for the English language not already to have a word to describe them does so at his own risk if he fails to provide the public with a suitable generic term for identifying the new goods or services without implicitly referring to their source. This is not to say that such failure is necessarily fatal. The public may invent a generic name for themselves or simply may manage without, or it may be a rival whose chosen mark suffers the fate of generic status. The rule was first applied in respect of goods which were formerly patented, but the proposition applies equally to unpatented goods and patented or unpatented services. In his own interest, the introducer should adopt both a brand name and a generic name and should use each consistently.

"[The inventor] has sworn, that having invented a new substance, namely the solidified or oxidised oil, he gave to it the name of 'Linoleum', and it does not appear that any other name has ever been given to this substance. It appears that the defendants are now minded to make, as it is admitted they may make, that substance. I want to know what they are to call it. That is a question I have asked, but I have received no answer; and for this simple reason, that no answer could be given, except that they must invent a new name. I do not

<sup>234</sup> *Office Cleaning Services v Westminster Office Cleaning* [1946] 1 All E.R. 320; 63 R.P.C. 39 HL; discussed (with reference to harmonised trade mark law) by the Court of Appeal in *JW Spear & Sons Ltd v Zynga Inc* [2015] EWCA Civ 290; [2015] E.T.M.R. 27; [2015] F.S.R. 19.

take that to be the law. I think that if 'Linoleum' means a substance which may be made by the defendants, the defendants may sell it by the name which that substance bears.

But then it is said that although the substance bears this name, the name has always meant the manufacture of the plaintiffs. In a certain sense that is true. Anyone who knew the substance, and knew that the plaintiffs were the only makers of this substance, would, in using the word, know he was speaking of a substance made by the plaintiffs. But nevertheless, the word directly or primarily means solidified oil. It only secondarily means the manufacture of the plaintiffs, and has that meaning only as long as the plaintiffs are the sole manufacturers. In my opinion, it would be extremely difficult for a person who has been by right of some monopoly the sole manufacturer of a new article, and has given a new name to the new article, meaning that new article and nothing more, to claim that the name is to be attributed to his manufacture alone after his competitors are at liberty to make the same article.<sup>235</sup>

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The treatment of new generic names in English law has been confused by a few factors: traders have failed to give new products generic names; they have treated the generic and brand names interchangeably; or traders have claimed exclusivity in what must objectively have been a generic name at its adoption. The other is that for brand and generic names alike traders have a strong preference for the highly descriptive. In consequence, the courts have quite often had to deal with allegations of passing-off based on the use of a word which appears to have been both generic in its meaning and descriptive in its origins. Such cases have tended to concentrate on the prima facie descriptive quality of the term.

In cases of passing-off involving verbal marks, the converse of "distinctive" is often taken to be "descriptive". Unfortunately, there are really two different concepts behind that word, since "descriptive" is often used when "generic" would be more appropriate. In English legal usage it is more consistent with the older authorities to use "descriptive" as a term of art embracing "generic" as well as its natural meaning.<sup>236</sup> The existence of these two usages was recognised by Jaccb LJ in *Phones 4U v Phone4U.co.uk*, where he observed<sup>237</sup>:

"[T]he name is not descriptive in the sense that anyone would describe a business or shop selling mobile phones as a 'Phones 4u' business or shop. It is that sort of name which tells you what the business is, but is also obviously intended to be an invented name to denote a particular business."

Conversely, in *Radio Taxicabs v Owner Drivers Radio Taxi Services*<sup>238</sup> the disputed name Radio Taxis (in the form of the domain name *radiotaxis.com*) was both generic and descriptive of the services offered by both parties, and the claimants even conceded that it had not acquired secondary meaning. Just Employment (for a solicitor's practice specialising in employment law) perhaps falls closer to *Phones 4U* than to *Radio Taxis*. Nonetheless, the action failed because the claimant's practice was extremely localised, the defendants operated in an entirely differ-

<sup>235</sup> per Fry J in *Linoleum v Nairn* (1878) 7 Ch D. 834 at 836.

<sup>236</sup> Of the older passing-off cases, the very few to use the word "generic" at all do so interchangeably with "descriptive": see *British Vacuum Cleaner v New Vacuum Cleaner* [1907] 2 Ch. 312; 24 R.P.C. 641; *Electromobile Co Ltd v British Electromobile Co Ltd* (1907) 25 R.P.C. 149 CA and *De Cordova v Vick Chemical Co* (1951) 68 R.P.C. 103 PC. In recent cases the distinction is more likely to be made expressly.

<sup>237</sup> [2006] EWCA Civ 244; [2007] R.P.C. 5.

<sup>238</sup> (2001) [2004] R.P.C. 19 (John Randall QC, Deputy Judge).

ent part of the country, and such confusion as has might have occurred, was attributable to the highly descriptive nature of the name: *Bignell v Just Employment Law*.<sup>239</sup>

### Names which are arbitrary, may still be generic

The fact that one word has been used to cover two concepts which are related but not identical has resulted in some confusion of thought, especially in respect of arbitrary generic names for new goods or services. Words such as paraffin,<sup>240</sup> linoleum<sup>241</sup> and magnolia<sup>242</sup> are wholly arbitrary in relation to oil, floor coverings and alloys. However, that does not stop them being descriptive in the sense that they are the name of the article as such. With terms such as malted milk,<sup>243</sup> shredded wheat<sup>244</sup> or oven chips<sup>245</sup> the objection to distinctiveness is twofold. Those terms indicate clearly enough what the product is and how it is made or may be used, though the more fundamental objection is that they are the generic names of those products and this does not depend at all on anyone recognising the descriptive message they were also designed to convey. Arguments that the public would not realise "oven chips" were potato chips for cooking in the oven, even if made out, are beside the point.

In *Associated Newspapers v Express Newspapers*<sup>246</sup> the defendants alleged that "mail" was generic, descriptive, or both for newspapers. Both contentions rightly failed but both were logically separate from the rather stronger submission that there were sufficient newspapers with names including "mail" for the latter on its own to be incapable of denoting the claimants. The argument that "mail" must be generic because the word could be found in 781 newspaper titles published since 1800 (almost all of them either defunct, foreign, or both) was not only absurd, but provided its own *reductio ad absurdum*: on the same argument, neither *Daily Mail* nor *Mail on Sunday* could possibly be distinctive, although their distinctiveness had been conceded. The generic word for a newspaper is "newspaper" perhaps abbreviated to "paper," but how many newspapers (apart from *The Economist*, a weekly news magazine) include "newspaper" in their name or masthead?

The two usages were recognised and identified by Lord Davey in *Cellular Clothing v Maxton & Murray*:<sup>247</sup>

"[A] man who takes upon himself to prove that words, which are merely descriptive or expressive of the quality of the goods, have acquired the secondary sense to which I have referred, assumes a much greater burden ... than that of a man who undertakes to prove the same thing of a word not significant and not descriptive, but what has been compendiously called a 'fancy' word.

The other observation which occurs to me is this, that where a man produces, or invents if you please, a new article, and attaches a descriptive name to it, a name which, as the article has not been produced before, has of course not been used in connection with the

<sup>239</sup> [2008] F.S.R. 6 (Robert Englehart QC, Deputy Judge).

<sup>240</sup> *Young v Macrae* (1862) 9 Jur.N.S. 322.

<sup>241</sup> *Linoleum v Nairn* (1878) 7 Ch D. 834 (Fry J).

<sup>242</sup> *Magnolia Metal Co v Atlas Metal Co* (1897) 14 R.P.C. 389 CA.

<sup>243</sup> *Horlicks v Summerskill* (1916) 34 R.P.C. 63 HL.

<sup>244</sup> *Canadian Shredded Wheat v Kellogg* [1938] All E.R. 618; 55 R.P.C. 125 PC.

<sup>245</sup> *McCain International v Country Fair* [1981] R.P.C. 69 CA.

<sup>246</sup> [2003] EWHC 1322; [2003] F.S.R. 51 (Laddie J).

<sup>247</sup> [1899] A.C. 326, 343; 16 R.P.C. 397 HL, per Lord Davey. The majority of the House seemed to concentrate on the fact that the word was prima facie descriptive. The passage deleted from the first paragraph would now be considered obsolete.

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article, and secures for himself either the legal monopoly or a monopoly in fact of the sale of that article for a certain time, the evidence of persons who come forward and say that the name in question suggests to their minds and is associated by them with the plaintiff's goods along, is of a very slender character . . . . He brings the article before the world, he gives it a name descriptive of the article all the world may make the article, and all the world may tell the public what article it is they make, and for that purpose they may prima facie use the name by which the article is known in the market."

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Lord Davey's speech was followed by Parker J in *British Vacuum Cleaner Co v New Vacuum Cleaner Co*<sup>248</sup> in which the plaintiffs had obtained a patent for cleaning articles by suction. He called the apparatus a vacuum cleaner and the process vacuum cleaning. Once again the term was prima facie descriptive but Parker J expressly referred to its generic nature as well.

"The name which he chose, however, for his machinery, and for the process of cleansing by means of such machinery was not a specific name denoting in any way the essential feature of his patent, but was a generic name applicable to all processes of cleaning by means of the creation of a vacuum and of suction caused by means of such vacuum through pipes, and [he] must have known when he applied a generic description to his machinery and his process that other people might devise, and bring upon the market, other means of vacuum cleaning not protected by his patent, in fact different species of the same genus . . . .

[I]t appears to me that there is nothing, in principle, to prevent the defendant company from using the words 'Vacuum Cleaner' as part of its name. Having a new species of vacuum cleaner which it proposes to bring before the public, it desires, in order to bring itself before the public as dealing with that article, to use a name involving a description of that article distinguishing it from all other articles of the same genus by using the term 'New'."

#### Generic names: examples

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It is not easy to be confident in giving examples of cases which turned on the plaintiff's or claimant's alleged mark being the generic name of the goods, as opposed to those in which it was simply a prima facie descriptive term which might in principle have acquired secondary meaning with more intensive or extended use of the same kind. The problem arises from the habit of concentrating on the self-evidently descriptive character of most of the terms in issue and the fact that neither "generic" nor any cognate term has been used more than occasionally. The most telling expression to look for is that the term is "the name of the article", although even this is often subordinated to its inherent descriptiveness. With this reservation, it is suggested that the following are some instances of generic names which the respective defendants were entitled to use.

Paraffin in *Young v Macrae*<sup>249</sup>; James's Blister in *James v James*<sup>250</sup>; Linoleum in *Linoleum v Nairn*<sup>251</sup>; Liebig's Extract of Meat in *Liebig's Extract of Meat Co v Anderson*<sup>252</sup> and *Liebig's Extract of Meat Co v Hanbury*<sup>253</sup>; Native Guano in *Na-*

<sup>248</sup> [1907] 2 Ch. 312; 24 R.P.C. 641 (Parker J).

<sup>249</sup> (1862) 9 Jur. N.S. 322. Strictly, "paraffine oil"; "paraffin" was already in use for wax.

<sup>250</sup> (1872) L.R. 13 Eq. 421 (Romilly MR). The name of the inventor, patentee or introducer of new goods was once a prime candidate for generic status, but the cases are now of historical interest only.

<sup>251</sup> (1878) 7 Ch D. 834 (Fry J).

<sup>252</sup> (1886) 55 L.T. 206 (Chitty J).

<sup>253</sup> (1867) 17 L.T. (N.S.) 298 (Page-Wood VC). But there was passing-off by imitation of get-up and

*tive Guano Co v Sewage Manure Co*<sup>254</sup>; Maizena in *National Starch Manufacturing Co v Munn's Patent Maizena & Starch Co*<sup>255</sup>; Flaked Oatmeal in *Parsons v Gillespie*<sup>256</sup>; Magnolia in a group of cases<sup>257</sup>; Aerator in *Aerators v Tollit*<sup>258</sup>; Haematogen in *Hommel v Bauer*<sup>259</sup>; Vacuum Cleaner in *British Vacuum Cleaner Co v New Vacuum Cleaner Co*<sup>260</sup>; Electromobile in *Electromobile Co v British Electromobile Co*<sup>261</sup>; Diabolo in *Philippart v William Whiteley*<sup>262</sup>; Slip-on in *Burberlys v Cording*<sup>263</sup>; Malted Milk in *Horlicks v Summerskill*<sup>264</sup>; Shredded Wheat in *Canadian Shredded Wheat v Kellogg*<sup>265</sup>; Vapour Rub (in England, but not in Jamaica) in *De Cordova v Vick Chemical Co*<sup>266</sup>; Oven Chips in *McCain International v Country Fair Foods*<sup>267</sup>; Chicago Pizza in *My Kinda Town v Soll*<sup>268</sup>; Jaffa Cakes in *United Biscuits v Burtons Biscuits*<sup>269</sup>; and Radio Taxis in *Radio Taxicabs v Owner Drivers Radio Taxi Services*.<sup>270</sup>

In addition, *Siebert v Findlater*<sup>271</sup> (*Angostura Bitters*) and *Powell v Birmingham Vinegar Brewery Co*<sup>272</sup> (*Yorkshire Relish*) may be early examples of cases in which those terms were generic but relief was granted on the basis that the defendant was misrepresenting the character or quality of his goods. The *Yorkshire Relish* case is hard to reconcile with *Horlicks v Summerskill*,<sup>273</sup> among others, on any other basis. The *Drinks Cases* provide clearer examples of the inaccurate use of generic names such as Champagne in *Bollinger v Costa Brava Wine Co*<sup>274</sup>; Scotch Whisky in *John Walker v Henry Ost*<sup>275</sup>; and Advocaat in *Erven Warninck v Townend*.<sup>276</sup>

A special class of case exists in which the name of the claimant (or a predecessor) has itself come to be used as the generic name of the product.<sup>277</sup> This situation is so obviously disadvantageous that in modern conditions few traders are likely to allow themselves to fall into the trap, and the authorities are therefore of little more

substitution in *Liebig's Extract of Meat Co Ltd v Chemists Co-op Soc Ltd* (1896) 13 R.P.C. 736 CA.

The three cases are not entirely consistent.

<sup>254</sup> (1891) 8 R.P.C. 125 HL.

<sup>255</sup> [1894] A.C. 275; 11 R.P.C. 281 PC.

<sup>256</sup> [1898] A.C. 239; 15 R.P.C. 57 PC.

<sup>257</sup> Of which the last was *Magnolia Metal Co v Tandem Smelting Syndicate Ltd* (1900) 17 R.P.C. 477 HL. The decision holding that Magnolia described the metal as such irrespective of manufacturer is *Magnolia Metal Co v Atlas Metal Co* (1897) 14 R.P.C. 389 CA.

<sup>258</sup> [1902] 2 Ch. 319; 19 R.P.C. 418 (Farwell J).

<sup>259</sup> (1904) 22 R.P.C. 43 CA.

<sup>260</sup> [1907] 2 Ch. 312; 24 R.P.C. 641 (Parker J). The word "genus" was used.

<sup>261</sup> (1907) 25 R.P.C. 149 CA. It was admitted that the word had been generic five years previously.

<sup>262</sup> [1908] 2 Ch. 274; 25 R.P.C. 565 (Parker J).

<sup>263</sup> (1909) 26 R.P.C. 693 (Parker J).

<sup>264</sup> (1916) 34 R.P.C. 63 HL.

<sup>265</sup> [1938] All E.R. 618; 55 R.P.C. 125 PC.

<sup>266</sup> (1951) 68 R.P.C. 103 PC.

<sup>267</sup> [1981] R.P.C. 69 CA.

<sup>268</sup> [1983] R.P.C. 407 CA.

<sup>269</sup> [1992] F.S.R. 14 (Vinelott J). The case was argued on get-up, the defendants' right to use the name not being challenged.

<sup>270</sup> [2004] R.P.C. 19 (John Randall QC, Deputy Judge).

<sup>271</sup> (1878) 7 Ch D. 801 (Fry J).

<sup>272</sup> [1897] A.C. 710; 14 R.P.C. 721 HL.

<sup>273</sup> (1916) 34 R.P.C. 63 HL.

<sup>274</sup> [1960] Ch. 262; [1959] 3 All E.R. 800; [1960] R.P.C. 16 (Danckwerts J).

<sup>275</sup> [1970] 1 W.L.R. 9117; [1970] 2 All E.R. 106; [1970] R.P.C. 489 (Foster J)

<sup>276</sup> [1979] A.C. 731; [1979] 2 All E.R. 927; [1980] R.P.C. 31 HL.

<sup>277</sup> It can also happen that the claimant, if a company, chooses to name itself after the product, as in *Canadian Shredded Wheat v Kellogg* [1938] All E.R. 618; 55 R.P.C. 125 PC.

than historical interest. Examples are James's Blister in *James v James*<sup>278</sup>; Cheavin's Patent in *Cheavin v Walker*<sup>279</sup>; Liebig's Extract of Meat in *Liebig's Extract of Meat Co v Anderson*<sup>280</sup> and *Liebig's Extract of Meat Co v Hanbury*<sup>281</sup>; Winsler Interceptors in *Winsler v Armstrong*<sup>282</sup>; Daimler in *Daimler Motor Car Co v British Motor Traction Co*<sup>283</sup>; Bowden in *Bowden Wire v Bowden Brake Co (No. 2)*<sup>284</sup>; and possibly Universal in *Universal Winding Co v George Hattersley*.<sup>285</sup> However, there is no rule of law that the name of an inventor, introducer or patentee is open to use by all, and there are probably at least as many examples of such use being restrained.<sup>286</sup>

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A different issue arises when the defendant uses expressions such as "similar to",<sup>287</sup> "as",<sup>288</sup> "pattern",<sup>289</sup> "type",<sup>290</sup> "model",<sup>291</sup> or "system"<sup>292</sup> in conjunction with the claimant's name or mark. Cases in which relief has been refused are still consistent with the name or mark being distinctive of the claimant. If it is clear that the defendant will supply his own goods, then there is no misrepresentation as to source. There may be one as to quality but it is only recently that such a misrepresentation would have been considered actionable.

It is possible for a generic term to lose that status and become distinctive of one manufacturer, as may have happened to *Singer*<sup>293</sup> and certainly happened to *Daimler*.<sup>294</sup> Although these cases are explained as turning on a change in the way those terms were understood, there seems to be underlying them a change in the

<sup>278</sup> (1872) L.R. 13 Eq. 421 (Romilly MR).

<sup>279</sup> (1877) 5 Ch D. 850 CA.

<sup>280</sup> (1886) 55 L.T. 206 (Chitty J).

<sup>281</sup> (1867) 17 L.T. (N.S.) 298 (Page-Wood VC).

<sup>282</sup> (1899) 16 R.P.C. 167 (Byrne J).

<sup>283</sup> (1901) 18 R.P.C. 465 (Buckley J). But by 1907 it had become distinctive: *Daimler Motor Co (1904) Ltd v London Daimler Co Ltd* (1907) 24 R.P.C. 379 CA.

<sup>284</sup> (1913) 30 R.P.C. 609 (Warrington J).

<sup>285</sup> (1915) 32 R.P.C. 479 (Joyce J).

<sup>286</sup> For example *Massam v Thorley's Cattle Food Co* (1880) 14 Ch D. 748 CA; *Edison Storage Battery Co v Britannia Batteries Ltd* (1931) 48 R.P.C. 350.

<sup>287</sup> *Broad & Co Ltd v Cast Iron Drainage Co Ltd* [1970] F.S.R. 363.

<sup>288</sup> *Broad & Co Ltd v Graham Building Supplies Ltd* [1969] R.P.C. 285; [1969] F.S.R. 153: "As Broadstel" not passing-off when it was clear the defendant was supplying his own goods.

<sup>289</sup> *Armstrong Pattern* was allowed in *Armstrong Oiler Co Ltd v Patent Axelbox and Foundry Co Ltd* (1910) 27 R.P.C. 362. Customers knew the defendants would supply their own goods and the meaning of *Armstrong* on its own was left undecided. *Alligator Pattern* was restrained as trade mark infringement in *Stone (JB) & Co Ltd v Steelace Mfg Co Ltd* (1929) 46 R.P.C. 406 CA but the action was held to have been rightly dismissed as regards passing-off.

<sup>290</sup> *Roe (AV) & Co Ltd v Aircraft Disposal Co Ltd* (1920) 37 R.P.C. 249. "Avro type" was allowed, but not "Avro" on its own.

<sup>291</sup> Though in *Bechstein v Barker & Barker* (1910) 27 R.P.C. 484. "Bechstein model" was restrained. There was trade evidence that "X model" for pianos meant a piano manufactured by X.

<sup>292</sup> See the various *Singer* cases at n.293.

<sup>293</sup> The authorities are inconclusive. In *Singer Machine Manufacturers v Wilson* (1877) 3 App. Cas. 376 HL, the House of Lords was unable to say whether or not *Singer* was distinctive because Jessel MR had wrongly dismissed the plaintiffs' case before hearing the defendant's evidence. In *Singer v Loog* (1882) 8 App. Cas. 15 HL the defendant was allowed to use "*Singer*" to describe the system of operation of his machines but in a context in which it could not have deceived. He did not resist an injunction against using *Singer* on the machines themselves. *Singer Manufacturing Co v Spence* (1893) 10 R.P.C. 297 and *Singer Manufacturing Co v British Empire Manufacturing Co Ltd* (1903) 20 R.P.C. 313 clearly went in the plaintiffs' favour.

<sup>294</sup> Compare *Daimler Motor Car Co Ltd v British Motor Traction Co Ltd* (1901) 18 R.P.C. 465 with *Daimler Motor Co (1904) Ltd v London Daimler Co Ltd* (1907) 24 R.P.C. 379 CA. Also see *Woodward Ltd v Boulton Macro Ltd* (1915) 32 R.P.C. 173 where the wheel turned full circle.

law's attitude to what constituted a genus deserving a name of its own. In the earlier cases, the genus was not sewing machines or motor cars, but specific models of each. In the later ones, the need for a generic name for every particular design had implicitly been abandoned.

### Descriptive terms and secondary meaning

As an entirely separate matter, a trader who chooses to use a name or mark which is prima facie descriptive of his goods, services or business runs the risk that the public will continue to use the term in its descriptive sense rather than identifying it with him. He must prove that the mark has acquired a secondary meaning as denoting his goods, and the burden of doing so is higher in proportion to the descriptive quality of the mark. Even if secondary meaning is proved, two problems remain. The first is that no trader can be prevented from using the word in its old descriptive sense if he avoids misrepresentation. The second is that other traders may use similar and equally descriptive names or marks as their own and will be allowed to do so even if a degree of confusion results.

Although there are practical difficulties confronting the trader who chooses a descriptive word or phrase, there is no rule of law that marks which are descriptive in their literal meaning can be used with impunity by other traders. In *Red-daway v Banham*,<sup>295</sup> *Camel Hair Belting* was held by the House of Lords to be distinctive of the plaintiffs, although the belting of both parties was predominantly composed of camel hair. The Court of Appeal had held that in those circumstances the defendant could not be restrained from using it, even in bad faith. Lord Herschell replied:

"I think the fallacy lies in overlooking the fact that a word may acquire in a trade a secondary signification differing from its primary one, and that if it is used, to persons in the trade who will understand it, and be known and intended to understand it in its secondary sense, it will, none the less be a falsehood that in its primary sense it may be true. A man who uses language which will convey to persons reading or hearing it a particular idea which is false, and who knows and intends this to be the case, is surely not to be absolved from a charge of falsehood because in another sense, which will not be conveyed and is not intended to be conveyed, it is true. In the present case the jury have found ... that the words 'Camel Hair' had in the trade acquired a secondary signification in connection with belting; that they did not convey to persons dealing in belting the idea that it was made of camel hair, but that it was belting manufactured by the plaintiffs. They have found that the effect of using the words in the manner in which they were used by the defendants would be to lead purchasers to believe that they were obtaining goods manufactured by the plaintiffs, and thus both to deceive them and to injure the plaintiffs."

In the absence of proof that the term chosen by the claimant has become distinctive of him by acquiring a secondary meaning, there is no reason why the use of that or a similar term by another trader should involve any misrepresentation as to source. Thus *Cellular* was descriptive rather than distinctive in *Cellular Clothing v Maxton & Murray*.<sup>296</sup> In addition to the fact that it was prima facie descriptive of the plaintiffs' cloth, the plaintiffs had used it descriptively in advertisements and had very little trade in Scotland, which was the relevant market. Flaked Oatmeal was

<sup>295</sup> [1896] A.C. 199; [1895-9] All E.R. 313; 13 R.P.C. 218 HL.

<sup>296</sup> [1899] A.C. 326; 16 R.P.C. HL.

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descriptive of a cereal in *Parsons v Gillespie*.<sup>297</sup> Slip-on was held descriptive of a type of coat by Parker J in *Burberrys v Cording*,<sup>298</sup> it having been in use on a small scale before the plaintiffs adopted it. As passing-off was formerly understood, absence of secondary meaning was necessarily fatal to the plaintiff's case, whether the defendant was using the descriptive term accurately or not. In the modern form of the tort, an action may lie for misuse of a descriptive or generic term for goods or services which do not deserve it, though it is uncertain how far the law has developed.

A term does not have to be a literal or accurate description of the goods or services to which it applies for it to be descriptive for the purposes of passing-off. Nor is it necessary for the term to be the only one which could be applied.<sup>299</sup> In *Parsons v Gillespie*<sup>300</sup> the plaintiffs unsuccessfully argued that Flaked Oatmeal was not properly descriptive of a breakfast cereal consisting of oats which had been ground and flattened. The Privy Council held that it was "a natural and obvious term for oats so treated; one which everybody would accept at once as appropriate enough." There was insufficient evidence that the primary descriptive meaning had been displaced and the defendants' goods were clearly distinguished. The plaintiffs in *Horlicks v Summerskill*<sup>301</sup> likewise failed to persuade the House of Lords that Malted Milk could not be descriptive because it was impossible to malt milk. As they had enjoyed a de facto monopoly of milk combined with malt, and had always described it as "Horlicks Malted Milk," malted milk must also have been the generic name of the product.

In *McCain v Country Fair*<sup>302</sup> the plaintiffs had introduced potato chips which could be cooked in the oven and had called them Oven Chips, always prefaced with their name. The Court of Appeal held there was no arguable case of passing-off against defendants who sold Country Fair Oven Chips and Birds Eye Oven Chips. Oven Chips might be ungrammatical and meaningless in the absence of a product to which it related, but it was an ingenious and apt description of that product which informed the customer of what it was. Neither the nature of the use of the term nor its duration were consistent with its acquiring secondary meaning.

### Descriptive and "fancy" words compared

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A distinction is sometimes drawn in which "fancy" words are contrasted with those which are prima facie descriptive. A fancy word is one which has no obvious relevance to the character or quality of the goods or business in relation to which it is used, such as Eureka for shirts,<sup>303</sup> June for toiletries,<sup>304</sup> and Puffin or Penguin (names of unpalatable seabirds both) for chocolate-coated sandwich biscuits. It is "of an arbitrary and fanciful nature"<sup>305</sup> in that context.

Whether a word is fancy or descriptive may depend on how it is used. Health may

<sup>297</sup> [1898] A.C. 239; 15 R.P.C. 57 PC.

<sup>298</sup> (1909) 26 R.P.C. 693 (Parker J).

<sup>299</sup> See *Aerators Ltd v Tollit* [1902] 2 Ch. 319; 19 R.P.C. 418 and *Horlicks v Summerskill* (1916) 34 R.P.C. 63 HL.

<sup>300</sup> [1898] A.C. 239; 15 R.P.C. 57 PC per Lord Hobhouse.

<sup>301</sup> (1916) 34 R.P.C. 63 HL.

<sup>302</sup> [1981] R.P.C. 69 CA.

<sup>303</sup> *Ford v Foster* (1872) L.R. 7 Ch. 611 CA.

<sup>304</sup> *Saville Perfumery v June Perfect* (1941) 58 R.P.C. 147 HL.

<sup>305</sup> *Parsons v Gillespie* [1898] A.C. 239; 15 R.P.C. 57 PC per Lord Hobhouse. See also *Cellular Clothing v Maxton & Murray* [1899] A.C. 326; 16 R.P.C. 397 HL, especially the speeches of Lord Shand

plausibly be called a fancy word in respect of fishing gear but not for cocoa.<sup>306</sup> The significance of the difference is that distinctiveness is very much more easily acquired for fancy words, and it is inappropriate to speak of secondary meaning when the word has no primary meaning to displace.<sup>307</sup> Some authorities, such as *Parsons v Gillespie*, almost appear to treat fancy words as if the mere fact of adoption were sufficient for protection by virtue of the plaintiffs having invented or appropriated the word. However, this cannot be correct. Others, including *Cellular Clothing v Maxton & Murray* perhaps go too far in creating difficulties when the words in issue are not fancy. It is not the law that prima facie descriptive words are distinctive only as against fraudulent defendants. The decision to categorise a word as fancy or descriptive is only one part of the wider issue of whether there is a material representation to restrain. Inherent ability to distinguish is always a matter of degree with there being a continuous spectrum between the highly fanciful and the obviously descriptive. Wherever the name may fall on that range, what matters is whether the name is distinctive in fact.

The distinctions to be found in the law of registered trade marks between marks which may be registered on application and those which require proof of acquired distinctiveness, are not relevant to passing-off, nor is liability for passing-off decided according to the same criteria as those appropriate to establishing whether a trade mark had a sufficiently distinctive character to qualify for registration.<sup>308</sup> So *Phones4U* was not so descriptive (for a chain of shops selling mobile phones) that it was to be denied protection, though the trial judge had thought otherwise. Rather:

"It is that sort of name which tells you what the business is, but is also obviously intended to be an invented name to denote a particular business."<sup>309</sup>

This is reminiscent of the way Parker J had already treated the distinction between fancy and descriptive words in *British Vacuum Cleaner v New Vacuum Cleaner*<sup>310</sup>:

"Now with regard to questions such as arose in *Reddaway v Banham* and *Cellular Clothing Co v Maxton and Chivers & Sons v Chivers* I think a distinction must always be drawn between cases in which the word in question the word which it is proposed to restrain the defendant from using is a word of ordinary use, descriptive of an article, and cases in which the word complained of more or less, partakes of the character of a 'fancy word', or, primarily, does not relate to the article but to the person who makes the article."

### Prima facie descriptive terms: examples

The authorities on prima facie descriptive terms are very numerous, what they have in common being that each one turned on its own set of facts.<sup>311</sup> To give an exhaustive list would be neither practical nor useful. The following is a summary

and Lord Davey.

<sup>306</sup> Dictum of Neville J in *Thorne & Co v Sandow* (1912) 29 R.P.C. 440.

<sup>307</sup> per Lord Shand in *Cellular Clothing v Maxton & Murray* [1899] A.C. 326; 16 R.P.C. 397 HL.

<sup>308</sup> *Phones 4U v Phone4U.co.uk* [2006] EWCA Civ 244; [2007] R.P.C. 5 CA.

<sup>309</sup> *Phones 4U v Phone4U.co.uk* [2006] EWCA Civ 244; [2007] R.P.C. 5 CA.

<sup>310</sup> [1907] 2 Ch. 312, 321; 24 R.P.C. 641 (Parker J).

<sup>311</sup> Though in *Phones 4U v Phone4U.co.uk* [2006] EWCA Civ 244; [2007] R.P.C. 5 CA, the errors of judgment were so gross that the Court of Appeal had no difficulty in deciding that the trial judge had misdirected himself in law. The distinction is important, given the limited competence of the Court of Appeal to review findings of pure fact.

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of some of the more influential or illustrative cases. Cases listed below as those in which the plaintiff or claimant prevailed include some in which the term in issue was distinctive but the action failed on other grounds.

*Cases in which the claimant prevailed*

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Exactly Twelve Yards written in Greek, Turkish and Armenian was distinctive for being in three foreign languages, even though the goods were exported: *Broadhurst v Barlow*.<sup>312</sup> Camel Hair Belting was protected both before<sup>313</sup> and after it was realised that the belting in question really was made of camel hair: *Reddaway v Banham*.<sup>314</sup> Several other cases by the same plaintiffs on the same mark culminated in *Reddaway v Hartley*<sup>315</sup> in which the Court of Appeal affirmed that the words had never been used descriptively and held that Lechat's Camel Hair Belting was calculated to deceive. Silverpan was distinctive for jam in *Faulder v Rushton*<sup>316</sup> although the jam was boiled in silver pans and the plaintiffs' advertisements drew attention to the fact. Incorporated Accountant meant a member of the plaintiff society in *Society of Accountants & Auditors v Goodway*.<sup>317</sup> Iron-Ox was distinctive of the plaintiffs' medicine in *Iron Ox v Co-op Wholesale Soc*<sup>318</sup> and the defendants were restrained from selling Iron Oxide tablets, Parker J holding that they were not using the term in a descriptive sense. The plaintiffs' tablets were not made from iron oxide, which had no medical value. There was passing-off when the defendants sold oil out of a barrel marked Vacuum Motor Oil A Quality despite an argument that Vacuum Quality denoted quality and would not deceive: *Vacuum Oil Co v Gooch & Tarrant*.<sup>319</sup>

Minties for mint-flavoured sweets was distinctive in *Angelides v James Steadman Henderson Sweets*<sup>320</sup> and infringed by Mentos. Radio Rentals restrained Rentals on its own in *Radio Rentals v Rentals*.<sup>321</sup> Brine Baths meant the plaintiffs' baths in *Hesketh Estates, Southport v Droitwich Brine Baths*<sup>322</sup> and an interlocutory injunction was granted against Droitwich Brine Baths. In *Delavelle v Stanley*<sup>323</sup> Blue Orchid meant the plaintiffs' brilliantine (and a wider range of toilet goods) and was not used descriptively by either party. Although the brilliantine was coloured blue it did not smell of orchids. Many orchids had no smell at all, and those that did ranged in fragrance from "sugary sweet" to "the smell of a dead rat" by way of "new mown hay" and "freshly cut cucumbers". Vapour Rub was not descriptive in

<sup>312</sup> Unreported. Summarised and commented on in *Raggett v Findlater* (1873) L.R. 17 Eq. 29.

<sup>313</sup> *Reddaway (F) & Co v Bentham Hemp Spinning Co Ltd* [1892] 2 Q.B. 639; 9 R.P.C. 503 CA. The Court of Appeal ordered a new trial when the judge withdrew the case from the jury. The defendants thereupon submitted to an injunction: see the headnote to *Reddaway v Banham* [1896] A.C. 199; (1896) 13 R.P.C. 218.

<sup>314</sup> [1896] A.C. 199; [1895-9] All E.R. 313; 13 R.P.C. 218 HL.

<sup>315</sup> (1930) 48 R.P.C. 283 CA. The other cases are *Reddaway (F) & Co Ltd v Ahlers* (1901) 19 R.P.C. 12; *Reddaway (F) & Co Ltd v Frictionless Engine Packing Co Ltd* (1902) 19 R.P.C. 505; *Reddaway (F) & Co Ltd v Stevenson & Brother Ltd* (1902) 20 R.P.C. 276.

<sup>316</sup> (1903) 20 R.P.C. 477 CA.

<sup>317</sup> [1907] 1 Ch. 489; 24 R.P.C. 159 (Warrington J).

<sup>318</sup> (1907) 24 R.P.C. 425 (Parker J).

<sup>319</sup> (1909) 27 R.P.C. 76 (Neville J).

<sup>320</sup> (1927) 40 C.L.R. 43 (High Court of Australia, Full Court).

<sup>321</sup> (1934) 51 R.P.C. 407 (Clauson J).

<sup>322</sup> (1934) 52 R.P.C. 39 (Farwell J).

<sup>323</sup> (1946) 63 R.P.C. 103 (Evershed J). An earlier Australian case, *Helena Rubenstein Pty Ltd v Von Bronneck* (1943) S.R. (N.S.W.) 283 (*Apple Blossom*) is comparable in result and the arguments raised.

Jamaica, though in England it was generic.<sup>324</sup> VapoRub was distinctive of the plaintiffs, and the defendants were guilty of passing-off by using Vapour Rub even with the preface Karsote: *De Cordova v Vick Chemical Co*.<sup>325</sup>

The Legal and General Assurance Society obtained an interlocutory injunction in the Court of Appeal against a detective agency in *Legal & General Assurance Soc v Daniel*.<sup>326</sup> The combination of the two words was unusual and distinctive of the plaintiffs. A New Zealand court granted an injunction against Wellington Pest Control in *Pest Control Service v McClelland*<sup>327</sup> but left open the question of whether an order of mandamus could issue against the Registrar of Companies. An injunction was also granted in *Effluent Disposal v Midlands Effluent Disposal*,<sup>328</sup> Midlands being said to be insufficient distinction. *Top of the Pops* was distinctive for records and *Pick of the Pops* restrained in *Pickwick International v Multiple Sound Distributors*.<sup>329</sup> Style was distinctive of the plaintiffs' dress-making patterns and Style'n Fit restrained in *Style Patterns v K-Tel*.<sup>330</sup> Brasserie for a restaurant was not descriptive in British Columbia in *Blades Enterprises v Thibault*.<sup>331</sup> Budget Rent-a-Car for car hire was distinctive in the Australian case of *BM Auto Sales v Budget Rent-a-Car Systems*.<sup>332</sup> Hikers for shoes was restrained in *Boot Tree v Robinson*.<sup>333</sup> The Court of Appeal in *Mothercare v Penguin Books*<sup>334</sup> allowed that Mothercare was distinctive of the plaintiffs in their field of business although relief was refused because the defendants had not used it in a trade mark sense.

Farm Fluid for an agricultural liquid disinfectant was protected both on an application for an interim injunction and subsequently at trial in *Antec International v South Western Chicks*.<sup>335</sup> Denim Company (for denim jeans) as well as Primark were the subject of summary judgment for the claimant in *Primark Stores v Lollypop Clothing*.<sup>336</sup> However, the only defence argued with any vigour was that the defendant had obtained the goods from one of the claimant's suppliers. In *Temporary Roadways and Access Co v Trax Portable Access*<sup>337</sup> a case based on the similarity between the trading names TRAC and TRAX (in both cases, for the provision of temporary road surfaces at events) was strengthened by the "remarkably close" similarity of the appearance of the defendants' vehicles to those of the claimants. An interim injunction was granted in terms directed both to the name and the livery of the vehicles.

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<sup>324</sup> A rare example of that word actually being used, and making it clear that the term "descriptive" may embrace "generic".

<sup>325</sup> (1951) 68 R.P.C. 103 PC.

<sup>326</sup> [1968] R.P.C. 255 CA.

<sup>327</sup> [1968] N.Z.L.R. 482 (Wild CJ). Following *National Timber Co Ltd v National Hardware Timber and Machinery Co Ltd* [1923] N.Z.L.R. 1258 CA.

<sup>328</sup> [1970] R.P.C. 238; [1969] F.S.R. 468 (Stamp J).

<sup>329</sup> [1972] R.P.C. 786 (CA opposed ex parte; Megarry J inter partes).

<sup>330</sup> [1974] F.S.R. 499 (Graham J).

<sup>331</sup> (1975) 65 D.L.R. (3d) 378 (Anderson J). The plaintiff failed on other grounds.

<sup>332</sup> (1977) 12 A.L.R. 363; 51 A.L.J.R. 254 (High Court of Australia, Full Court).

<sup>333</sup> [1984] F.S.R. 545 (Nourse J).

<sup>334</sup> [1988] R.P.C. 113 CA.

<sup>335</sup> [1997] F.S.R. 278 (Laddie J); [1998] F.S.R. 738 (Michael Hart QC, Deputy Judge). The products were respectively marketed as Antec Farm Fluid S and SWC Super Farm Fluid.

<sup>336</sup> [2001] F.S.R. 37 (John Martin QC, Deputy Judge). The defendant abbreviated "Denim Company" to "Denim Co".

<sup>337</sup> [2002] EWHC 1728 (Blackburne J).