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MATRIC NUMBER: 17/LAW01/271

LEVEL : 300L

COURSE TITLE : LAW OF TORT II

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.THE CONCEPT OF PASSING OFF.

WHAT IS PASSING OFF?

Passing off is described as an unfair competition by misrepresentation or literally speaking "the cause of confusion or deception". Generally, an action for Passing off arises where the deception is made in the course of trade, which could lead to confusion amongst customers. This applies to both ecommerce businesses and businesses with physical addresses.

Passing off is a wrong, a common law tort which protects the goodwill of a trader from misrepresentation. Misleading the public into believing falsely, that the brand being projected was the same as a well known brand is a wrong and is known as the tort of "passing off" .

As per Wikipedia, the free encyclopedia, "passing off is a common law tort which can be used to enforce unregistered trademark rights. The tort of passing off protects the goodwill of a trader from a misrepresentation that cause damage to goodwill. The law of passing off prevents one person from misrepresenting his or her goods or services as being goods or services of the claimant, and also prevents one person from holding out his or her goods or services as having some association or connection with the plaintiff when this is not true."¹

¹ http://en.wikipedia.org/wiki/Passing_off.

Another definition of Passing off is the act or an instance of falsely representing one's own product as that of another in an attempt to deceive potential buyers.² Passing off is actionable in tort under the law of unfair competition. The Duhaime's Legal Dictionary defines Passing off as making some false representation likely to induce a person to believe that the goods or services are those of another. As held in the famous case of N. R. Dongre Vs. Whirlpool Corporation³ "A man may not sell his own goods under the pretense that they are the goods of another man." The law of passing off contains sufficient nooks and crannies to make it difficult to formulate any satisfactory definition in short form.⁴

AIMS OF THE TORT OF PASSING OFF

- It helps to enable businesses continue to earn profit
- To protect the right of property that exists in good will.

ELEMENTS OF PASSING OFF

To establish a claim for passing off, you must meet three key requirements:

- Goodwill - you must prove that you own a 'reputation' in the mark that the public associates with your specific product or service
- Misrepresentation- you must show that the trader has caused confusion and deceived or misled the customers into believing that their goods and services are actually yours
- Damage: The claimant/ plaintiff needs to show to the court that a loss has been suffered due to the belief that the goods and services of the defendant are those of the plaintiff/claimant. (The Claimant / plaintiff needs to show that the defendant's activities are calculated to deceive the public).

These (3) three elements known as the Classic Trinity were stated in the House of

² Black's law Dictionary.

³ (1996) 5 SCC 714

⁴ Conaara Inc v. McCain Foods ('Australia') Pty Ltd (1992) 106 A.L.R. 465

Lord's case of Reckitt & Colman products Ltd v. Borden Inc.⁵ (HL 1990) per Lord Oliver.

FORMS OF PASSING OFF

The elements of passing off need to be proved in any of the forms which passing off can take which include;

- A direct statement by the defendant that the goods and services are that of the plaintiff:- Actionable passing off occurs where the defendant markets his products as that of the plaintiff. See Byron (Lord) v. Johnston⁶
- Trading under a name which is closely related to that of the claimant/ plaintiff such name being likely to mislead the public: - The well-established case on this is Hendriks v Montagu⁷ where the Universal Life Assurance Society were granted an injunction by the court in order to restrain the company of the defendant which was incorporated later on from carrying on business under the name "Universe Life Assurance Association". In Nigeria, the court has decided a similar situation in Niger Chemists Ltd. v. Nigeria Chemists⁸ where Palmer J. granted an injunction restraining the defendants from using the name "Nigeria Chemists" as it was calculated to deceive those who had the intention to deal with Niger Chemists. It is important to note that both parties in the suit were engaged in a similar business. Thus, where a name is made to deceive a consumer or the public due to its similarity with that of a plaintiff then that is a form of passing off and there exists a tort.
- Imitating the Get Up or Appearance of the Plaintiff's Goods : - Where there are characteristics in the Get Up or appearance of the plaintiff's goods which identifies the goods as those of the plaintiff, any adoption or imitation of the appearance or get up of the plaintiff's goods by another in a manner likely to

⁵ HL 1990

⁶ [1816] 2 Mer. 29

⁷ [1881] 17 Ch.D 638

⁸ [1961] 1 All NLR 171

deceive will give rise to the tort of passing off.⁹ Thus, where the defendant imitates the get up or appearance of the plaintiff's goods, the defendant is liable for passing off. See *Trebor Nigeria Ltd v. Associated Industries Ltd*.¹⁰ where the plaintiffs claimed that the defendants were guilty of passing off their products as that of the plaintiffs. The court per J. R. Jones (Senior Puisine Judge) held that the defendants had in every aspect from carton to tablet to manufacturing marketed a product as similar as possible to that of the plaintiffs.

- Trading under a name already given for goods of that kind by the plaintiff or trading under a name so similar to that of the plaintiff's as to be mistaken for it:- Where a trade name is already in use by the plaintiff for his goods and services, it will be actionable passing off for a defendant to trade under the name of the plaintiff.¹¹ A trade name is a name under which goods and services are sold by a certain individual and which by established usage has become known to the public to the effect that the goods and services are that of the individual.¹² Descriptive names such as 'water', 'beer' 'stout' are not protected unless the plaintiff can prove that the descriptive name has acquired a secondary name exclusively associated with the plaintiff's own product

PASSING OFF AND TRADEMARK INFRINGEMENT

The tort of passing off arises when a mark, sign or product is unregistered under the Trademarks Act of 1961. The plaintiff has to prove that the mark or sign has sufficient goodwill, an established usage and the identical mark will deceive the innocent man and as such seeks to be protected by the law of passing off. However, passing off claims are time consuming and less straightforward.¹³ Trademark infringement unlike passing off involves a registered trademark. Where there has been constant usage of an identical mark by the defendant and such usage is likely to cause deceit or confusion in the

⁹ Ibid (n 10)

¹⁰ (1972) NNLR 60 Suit noK/127/71 May 29 1972

¹¹ G. Kodilinye and O. Aluko, *Nigerian Law of Torts* (Spectrum Books Limited 1999)

¹² R. F. V. Heuston, *Salmond on the Law of Torts* (16th edn, Sweet & Maxwell London, 1973)

¹³ [http://www.inbrief.co.UK/intellectual property/passing-off](http://www.inbrief.co.UK/intellectual%20property/passing-off)

course of business. Then that is trademark infringement. See *Ferodo Ltd. v. Ibetto Industries Ltd.*¹⁴ It is important to note that once a trademark is registered, it gives the owner (the proprietor of the trademark) the exclusive right to use the trademark in business, marketing, etc.¹⁵

REMEDIES FOR PASSING OFF

If you are successful in a passing off claim, there are several remedies available. You can:

- Apply to have the infringing goods destroyed.
- Sue for damages or seek account for lost profit.
- Apply for an injunction to prevent the business from using your trade mark or goodwill.
- Request an inquiry to establish loss.

DEFENCES FOR PASSING OFF

You may encounter different defences if you pursue a claim for passing off. For example, the defendant may argue that:

- That the Plaintiff's name, mark, sign and slogan has become generic/common place.
- Innocent usage of the Plaintiff's name
- Indistinct name, mark, sign and slogan of the plaintiff
- Consent of the Plaintiff to the use of the name, mark, sign or slogan.
- Dissimilarities in the mark of the Plaintiff and Defendant.

¹⁴ (2004) All FWLR pt 203 p.2043

¹⁵ supra

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