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THE CONCEPT PASSING OFF

¹ To sell merchandise or carry on business under such name, mark, description, or otherwise in such a manner as to mislead the public into believing that the merchandise or business is that of another person is a wrong actionable at the suit of that other person. This form of injury is commonly, though awkwardly, termed that of passing off one's goods or business as the goods of another and is the most important example of the wrong of injurious falsehood, though it is so far governed by special rules of its own that it is advisable to treat it separately. ² The law on this matter is designed to protect traders against that form of unfair competition which consists in acquiring for oneself, by means of false or misleading devices, the benefit of the reputation already achieved by rival traders. Normally the defendant seeks to acquire this benefit by passing off his goods as and for the goods of the plaintiff in whatever mode. In the *Champagne* case, it was held that the law governing trade competition is wide enough to prevent a person attaching to his product a name or description with which it has no natural connection in order to make use of the reputation and goodwill gained by a product genuinely indicated by that name and description.

ELEMENTS OF PASSING OFF

In *Erwen Warnink BV v J Townend & Sons, Lord Diplock* referred to five elements of passing off. They include;

1. Misrepresentation
2. Made by a trader in the course of trade.
3. To prospective customers of his or ultimate customers of goods and services supplied by him.
4. Which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence)
5. Which causes or threatens actual damage to the business or goodwill of the trader by whom the action is brought.

Later *Lord Oliver* set out the more abbreviated three elements of passing off. They include;

- a. A goodwill or reputation attached to and recognised by the public as distinctive of the claimant's goods or services.
- b. A misrepresentation by the defendant leading the public, or a substantial number of members of the public, to believe that his goods or services are those of the claimants
- c. Damage or likely damage.

¹ Morison, "Unfair Competition and Passing-off" (1956) 2 Sydney L.Rev. 50; Cornish, "Unfair Competition" (1972) 12 J.S.P.T.L. 126.

² *Draper v. Trist* (1939) All E.R. 513, 517-518.

Types of passing off

1. A direct statement that the merchandise or business of the defendant is that of the plaintiff.
2. Trading under a name so closely resembling that of the plaintiff as to be mistaken for it by the public.
3. Selling goods under a trade name already appropriated for goods of that kind by the plaintiff, or under any name so similar thereto as to be mistaken for it.
4. Selling goods with the trade mark of the plaintiff or any deceptive imitation attached thereto.
5. Imitating the get up or appearance of the plaintiff's goods so as to deceive the public.

A Direct Statement that the Merchandise or Business of the Defendant is that of the Plaintiff.

It is an actionable wrong to seek to sell a publication by falsely putting the name of a well-known author on the title-page.⁴

Trading under a name so closely resembling that of the plaintiff as to be mistaken for it by the public.

In *Hendriks v. Montagu*,⁵ the Universal Life Assurance Society obtained an injunction preventing a company subsequently incorporated from carrying on business under the name of the Universal Life Assurance. It is not necessary to prove it has obtained its goodwill by trading within the jurisdiction.⁶

Selling goods under a trade name already appropriated for goods of that kind by the plaintiff, or under any name so similar thereto as to be mistaken for it.

A trade name means a name under which goods are sold or made by a certain person and which by established usage has become known to the public as indicating that those goods are the goods of that person. A trade name is opposed to merely descriptive name- namely, one under which the goods are sold, but which indicates merely their nature, and not that they are the merchandise of any particular person. ⁷The principle is not confined to purely commercial

⁴ *Bryon (Lord) v. Johnston (1816)* 2 Mer. 29. But the unauthorized use of another's name without more (e.g that it is a libel) is not actionable: *Tolley v. Fry* (1930) 1 K.B. 467, 478.

⁵ (1881) 17 Ch.D. 638.0

⁶ *C & A. Modes v. C. & A. (Waterford) Ltd.* [1976] 1.R. 198; *Maxims Ltd v. Dye* [1977] 1 W.L.R. 1155.

⁷ *British Vacuum Cleaner Co. v. New Vacuum Cleaner Co.* [1907] 2 Ch. 312 ("Vacuum Cleaner")

matters. If a man, be he a musician, portrait painter or writer of articles in newspapers gets to be known under a particular name, that name becomes inevitably part of his stock-in-trade, and apart from some special contract or anything of that kind, he is entitled to say that it is his name, and that anyone who adopts or causes the adoption of that name by some other person is inflicting on him an injury.⁸ It is established beyond argument that under the English law a man is not entitled to exclusive proprietary rights in a fancy name in *vacuo*. The activities of the defendant must have misled the public into confusing his profession, business or goods with those of the plaintiff. It maybe that misappropriation of personality is on the verge of recognition as a distinct tort.

Selling goods with the trade mark of the plaintiff or any deceptive imitation attached thereto.

A trade mark is at common law any mark habitually attached by a trader to goods manufactured or sold by him in order to indicate that they are his merchandise, and by established usage known to the public as possessing that significance. Under the Trade Marks Act 1938¹⁰ no damages can be recovered for the infringement of an unregistered trade mark, but the rights of action for passing off goods as the goods of another person are not affected by the Act. The statute law as to the infringement of registered trademarks does not exclude or supersede this common law protection.

Imitating the get up or appearance of the plaintiff's goods so as to deceive the public.

When there is anything so characteristic in the get-up or appearance of the plaintiff's goods that it identifies those goods as the merchandise of the plaintiff, any deceptive adoption and imitation of that get-up or appearance is subject to the same rules as the deceptive adoption or imitation of his trade name or trade mark.¹¹ The tort is also committed when the second-hand goods are sold as new.¹² A tort (perhaps a form of misrepresentation analogous to passing off) is also committed where the defendant knowingly uses unauthorised articles in the performance of some service or process which has acquired a brand of fancy name by reason of the use in it of the plaintiff's branded articles.¹³ The *Champagne* case extended the tort beyond cases in which the defendant

⁸ *Hines v. Winnick* [1947] Ch. 708, 713, *per* Vaisey J.

⁹ *Sim v. J. Heinz & Co. Ltd.* [1959] 1 W.L.R. 313.

¹⁰ s.2

¹¹ *Illustrated Newspapers v. Publicity Services* [1938] Ch. 414.

¹² *Morris Motors Ltd. v. Lilley* [1959] 1 W.L.R. 1184.

¹³ *Sales Affiliates Ltd. v. Le Jean Ltd.* [1947] Ch. 295.

claims that his goods or services are identical with those of the plaintiff. Champagne properly means French champagne, which is associated with being “drunk at the gayest parties and in distinguished circles”: it was therefore wrong for the defendant to market his products under the name “Spanish Champagne”. The principle has been further extended to cover cases in which the name by which the genuine product is known has no geographical connotation, but has a definite and distinctive meaning.

RELEVANCE OF PASSING OFF AS A FORM OF ECONOMIC TORT IN THE 21ST CENTURY NIGERIA

In Nigeria today a lot of people have ventured into the economic sector of the country. Most people own businesses of various kinds such as, manufacturing, printing, selling of goods etc. most of these businesses have business names and trademarks for the products which they manufacture. Competition has been recognised in the business world as a fundamental element of business. Therefore, businesses are allowed to compete with one another and therefore to this extent, one business may succeed to the disadvantage of another. As a result of this the economic tort was put in place to ensure that businesses are protected from acts of unacceptable interference. An example of an economic tort is the tort of Passing-off.

The purpose for the tort of passing off in Nigeria, is to protect traders against that form of unfair competition which consists in acquiring for oneself, by means of false or misleading devices, the benefit of the reputation already achieved by rival traders.

A common example of the commission of this tort is the imitation of the brand name Nike and Adidas. It is a very common thing among the Nigerian traders and manufacturer in order to boost the sale of their products they imitate the trade mark of the Nike and Adidas company. The tort of passing off helps protect the goods, trademarks and name of businesses in Nigeria and seeks to provide a suitable remedy for those businesses who have fallen victims of unacceptable interference with their business.

DEFENCES OF PASSING OFF

The defences available to the defendant against a claim of passing off include:

1. Consent of the plaintiff to the use of the name, mark, sign or slogan.
2. Indistinct name, mark, sign and slogan of the plaintiff.
3. That the plaintiff's name, mark, sign, and slogan has become generic/common place.
4. Dissimilarities in the mark of the plaintiff and the defendant.

REMEDIES

The following remedies can be claimed in an action for passing-off. They include;

1. **Injunction:** This is an order of the court to prohibit or suspend the use of a mark. This is usually the first relief sought to suspend the use of the mark pending the outcome of the case and a perpetual injunction when the case has been conducted to totally stop the use of the mark.
2. **Damages:** It has been established through decided cases that a successful litigant in a passing off action is entitled to damages. Damages here could be special, general or punitive. These usually emanate from losses which are presumed to have been suffered by a plaintiff in a passing off action.

REFERENCES

1. R. F. V. Heuston and R. S. Chambers, Salmond and Heuston on the Law of Torts (18th Edition, Sweet & Maxwell)
2. Edwin Peel and James Goudkamp, Winfield and Jolowicz: Tort (19th edn, Thomson Reuters)
3. Nigeria: An Appraisal of Passing Off Actions Under Nigerian Law by T & A Legal.