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Question:

Discuss the relevance of Passing off as a form of Economic Torts in the 21st Century Nigeria.

**ESE MALEMI** in his book **Law of Tort** stated that passing off is:

*“The false representation of one’s product or business as that of another person, thereby deceiving buyers to patronize it. Passing off is the selling of one’s products, or the carrying on of one’s business as if it were that of another person whose reputation and goodwill one thereby enjoys.”[[1]](#footnote-1)*

**LORD LANGDALE MR** explaining the law in **Perry v Truefitt** stated that:

*“A man is not to sell his own goods under the pretense that they are the goods of another person; he cannot be permitted to practice such a deception, nor to use the means which contribute to that end”[[2]](#footnote-2)*

In the 21st Century Nigeria, the tort of passing off has become very common in the sense that people resort to every strategy to market their products and services even if it is at the expense of another person’s business. Passing off usually involves a form of misrepresentation in order to make people patronize one’s goods and services. In the famous case **of N. R. Dongre Vs. Whirlpool Corporation**[[3]](#footnote-3), the court held that “A man may not sell his own goods under the pretence that they are the goods of another man.” The misrepresentation or deceit in this sense is the false representation of one’s goods and services as that of another person which can be done by presenting the goods under another person’s business name, trademark, description, or imitation of another person’s goods and services.

It is arguable to state that passing off is both a common law and statutory remedy in Nigeria as it is statutorily supported by **Section 3 of the Trademarks Act** which provides that:

"No person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark; but nothing in this Act shall be taken to affect rights of action against any person for Passing off goods as the goods of another person or the remedies in respect thereof".[[4]](#footnote-4)

The above connotes that a passing off action instituted when a mark is not registered is both supported by common law and statutorily backed up, thus giving effect to the legal maxim "There is no law without a remedy".

**THE PURPOSE OF THE LAW OF PASSING OFF**

The purpose of the tort of passing off is to protect the business interests of a person from the unfair trade practices and sharp practices of other persons. **SIR JOHN SALMOND** in his book **Law of Tort** stated that the purpose of the tort ofpassing off is:

*“The law… designed to protect traders against … 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”[[5]](#footnote-5)*

**GUIDELINES FOR DETERMINING WHEN AN ACTION LIES IN PASSING OFF**

In the case of **Warnink BV v. Townsend & Sons** (**The Dutch Advocaat Case), LORD DIPLOCK**[[6]](#footnote-6)in the House of Lord stated the five guidelines for determining when an action lies in passing off. The five guidelines are whether there is:

1. A misrepresentation
2. Made by a defendant in the course of trade
3. To prospective customers
4. Which is calculated to injure the business and goodwill of another person; and
5. Which causes damage to that person’s business and goodwill or likely do so.

The tort of passing off is actionable per se. The plaintiff does not need to prove damage in order to succeed. The right to action lies even though no actual damage has been suffered or proven, the probability that damage may occur is enough for the plaintiff to succeed.

The tort of passing off can be committed in different forms, as business resorts to various strategies in imitating the products and business of a rival trader in order to capture the patronage of the customers of the rival trader. The common forms of passing off in the Nigerian society are:

1. Imitating the appearance of the plaintiff’s product
2. Marketing a product with a name resembling that of the plaintiff’s goods
3. Marketing a product with the plaintiff’s trademark or its imitation
4. Selling inferior or expired goods of the plaintiff as current stock
5. Trading with a name resembling that of the plaintiff
6. Imitating the plaintiff’s advertisement

I shall briefly examine the common forms of passing off.

**Imitating the appearance of the plaintiff’s product**

A product that appears to copy or is in the likeness of the plaintiff’s product to confuse the general public is seen as passing off. This includes the design of the product, package or label.

In the case of **Trebor Nigeria Limited v. Associated Industries Limited**[[7]](#footnote-7), Trebor Nigeria Limited the makers of Trebor Peppermint brought an action against Associated Industries Limited the makers of Minta Supermint claiming that the wrapper used to package the product by the defendant was similar to that of the Plaintiff and that they were guilty of Passing off their products like that of the defendant. The defendants raised dissimilarities in the two products as a defence to the action, the Judge however found the defendants liable for Passing off their products as that of the Plaintiff. In this instance, passing off occurred by the use of a package strongly similar with that of another product such as to deceive the public that they are one and the same.

A claim for passing off based on imitation of the plaintiff’s goods will not succeed where:

1. The appearance is purely functional
2. Where the appearance is the standard form, normal shape, or design for that product or its package.

In the case of **J.B. Williams Co v Bronnley & Co Ltd[[8]](#footnote-8),** an action brought by the plaintiff company to restrain the defendant company from using the normal shape of a shaving stick container to package his brand of shaving stick failed.

**Marketing a product with a name resembling that of the plaintiff’s goods**

This is a form of passing off where the defendant is usually engaged in the same kind of business as the plaintiff, he uses the plaintiff’s name or a name closely resembling the plaintiff’s name which misleads the public to patronize the defendant’s product. In the case of **Hendricks v. Montagu[[9]](#footnote-9)**, the plaintiffs, the “Universal Life Assurance Society” brought an action against the defendants to stop them from carrying on business with the trade name “Universal Life Assurance Association”. The injunction sought was granted and it was mentioned that since the names were too similar for differentiation, the tort of passing off was indeed committed. Innocence in the choice of name is not a defence.

**Selling inferior or expired goods of the plaintiff as current stock**

It is a form of passing off for the defendant to sell the plaintiff’s expired or inferior products discarded by the plaintiff as current stock. The selling of the plaintiff’s expired or inferior goods as current stock which are unfit for human consumption have a high potential for injuring the business of the plaintiff. The selling of a used product as a new product is also passing off. In the case of **Spalding & Brothers v Gamage Ltd** [[10]](#footnote-10) where used footballs where sold as current stock. It was held that in this type of a wrong, actual passing off was unnecessary. What was important was a description of this wrong in terms of representation. Referring to the defendants’ contention that the writ was issued before there was any kind of sale, there lay no basis in the action and hence, it could not succeed, it was declared that offering to sell was an actionable act. It was also declared that there could be no sort of a limit for awarding damages for such a wrong.

**Imitating the plaintiffs advertisement**

An advertisement by the defendant appears to imitate the advertisement of the plaintiff’s products that it is capable of misleading the buyers to patronize the defendant’s goods as that of the plaintiff may amount to passing off.

The likelihood of deception varies with the customer based on the intelligence and education of the customer. In every successful claim in passing off, it has been held that there was the likelihood for the public to be deceived. In the case of **De Facto Works Ltd v Odumotun Trading Co,[[11]](#footnote-11) COKER J** made a statement:

*” The majority of purchasers are illiterate and could not read. This is an element to be considered with respect to the likelihood of deception…”*

The standard of awareness the law presumes for potential buyers varies based on illiteracy and education. An educated person is presumed by the law to be observant and make educated choices while illiterates are presumed to be casual observers who rely on recollections of the product they want to purchase. For an expert in a particular trade, the level of awareness presumed by the law is much higher. However, the presumption are not always correct as an educated person can also be an unwary customer who can be misled. **LORD MACNAGHTEN** in the case of **Montgomery v Thompson** stated that:

*“Thirsty folk want beer, not explanations about the differences, between one product and another which is similar to it”[[12]](#footnote-12)*

In the event where fraud is proven on the part of the defendant, the court awards aggravated or punitive damages to the plaintiff.

**REMEDIES FOR PASSING OFF**

The remedies for passing off include:

1. Damages
2. Injunction[[13]](#footnote-13)
3. Intervention by the relevant regulatory agencies such as Standard Organisation of Nigeria (SON), Intellectual Property Commission (IPC), NAFDAC.

**DEFENCES FOR PASSSING OFF**

1. Consent of the plaintiff[[14]](#footnote-14)
2. Functional design, or package[[15]](#footnote-15)
3. The descriptive name of the product[[16]](#footnote-16)

**CONCLUSION**

The purpose of an action for passing off is to prevent one trade from damaging or exploiting the goodwill and reputation built up by another. In a country where considerable percentages of the population are illiterates, it is very easy to pass off goods. Thousands of instances of passing off can be found out throughout Nigeria. From garments to footwears to toothpaste to medicine, you name it, you find it. Unfortunately, a legal solution has evaded most of these but, with the Trademarks Act, 2004 which provides protection against passing off, situation has improved and there have been a large number of cases on passing off these recent years and the reduction in the exploitation and damaging of the business of others.

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