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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.

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. 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.

Passing off and Trademark Infringement

It is necessary to state that in Nigeria Passing off and trademarks infringement go hand in hand and are very similar in nature. Whilst, Passing off is an action on unregistered marks that have become notoriously attributable to a person or company, a trademark infringement action usually involves a registered mark. This means that a mark, brand, design, name must be registered as a trade mark before one can make a claim on trade mark infringement.

Another distinction is, whilst an action for infringement of trade mark is a statutory remedy conferred on the owner of a registered trade mark, for the enforcement of a right to use the trade mark in relation to the goods/services for which the mark has been registered; an action for Passing off is an action against the deceit on the colourable imitation of a mark adopted by a person/company in relation to goods/services which has acquired a distinctive reputation in the market and is known as belonging to or produced by that person/company only.

An action for Passing off is a common law remedy and the claimant need not establish title for same but must show that the goods/services have distinctive features.

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".

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".

Decided Cases

In the case of Trebor Nigeria Limited v. Associated Industries Limited; 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.

In the case of Niger Chemists Limited and Nigeria Chemists, the Plaintiff had an established chemist business using the name "Niger Chemist" while the Defendants established the same business on the same street with the Plaintiff using the name "Nigeria Chemist". The Plaintiff sued the Defendant claiming the name was too similar and likely to deceive the public that there was a relationship between them. The Court agreed with the Plaintiff and granted an injunction against the Defendant on the use of the name. In this instance Passing off occurred by the use of a trade name similar with that of another such as to deceive the public that there exists a business relationship between the two.

Jurisdiction of the Courts

An action for infringement of registered trademarks should always be instituted in the Federal High Court only because the action arises in relation to a Federal enactment which is the Trade Mark Act. However, the courts have variant decisions on the jurisdiction of the courts on Passing off actions.

In Patkun Industries Ltd. v. Niger Shoes Ltd, a 1988 decision, the Supreme Court held

that the Federal High Court has jurisdiction in trademarks infringement and Passing off actions stemming from the infringement of trademarks, whether registered or unregistered.

The Constitution specifically makes provisions for Passing off actions as follows: *"Notwithstanding anything to the contrary contained in this Constitution and in addition to such other jurisdiction as may be conferred upon it by an Act of the National Assembly, the Federal High Court shall have and exercise jurisdiction to the exclusion of any other court in civil causes and matters on any Federal enactment relating to copyright, patent, designs, trademarks and Passing-off, industrial designs and merchandise marks, business names, commercial and industrial monopolies, combines and trusts, standards of goods and commodities and industrial standards"*. The Constitution also provides that, - If there is any other law that is inconsistent with its provisions, the Constitution will prevail, and that other law shall, to the extent of the inconsistency, be void. These provisions in the grundnorm places the correct position in perspective and emphasises the position of the Federal High Court as the Court with exclusive jurisdiction in Passing off actions.

Components to prove Passing off

Aside from the key component of deception, Justice Nnaemeka Agu, in the 1977 case of *The Boots Company Limited v. United Niger Imports Limited* carefully listed what he considered to be the ingredients of a successful Passing off action as follows:

- Proof that the name, mark, sign which the plaintiff claims ownership has become distinctive of his goods and is regarded by a substantial number of the public or persons involved in a trade in the relevant market as coming from a particular source;
- That the defendants who are engaged in a common field have used a name, mark, sign so resembling to the plaintiff's that it is likely or calculated to deceive or cause confusion in the minds of the common customer; and
- That the use of the name, mark, sign is likely to cause or has caused injury, actual or probable to the goodwill of the plaintiff's business.

Remedies in a Passing off action

The following reliefs/ remedies can be claimed in a Passing up action as follows:

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 concluded to totally stop the use of the mark.

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 general, special or punitive. These usually emanate from losses which are presumed to have been suffered by a Plaintiff in a Passing off action.

Delivery up for destruction of infringing goods: This is usually claimed where physical goods are involved. This occurs where goods are produced in breach of the trademark of another identical product. Thus, the Plaintiff usually claim for the goods to be delivered up especially so that it can be destroyed.

Anton Piller Orders: This is an order for inspection and delivery up of infringing materials in the possession or control of an infringer. *Ferodo Limited & Anor. V. Ibeton Industries Limited*.

Account of profit: Here the Plaintiff is entitled to profit on goods wrongly sold by the infringer.

Defences available to a Defendant in a Passing off action

The defences available against a claim of Passing off include the following:

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

Relevance of Passing off as an economic tort

Passing off as an Economic tort is relevant in Nigeria because it protects the rights of a plaintiff's business as it regards to attributes that have become an intricate part of the business or signs that have been attributed to a particular business, instances of passing off include;

- Trading with a name resembling that of the plaintiff
- Marketing a fake product as that of the plaintiff by using the plaintiff's label or design
- Marketing a product with a name resembling that of the plaintiff's goods
- Marketing products with the plaintiff's trademark or its imitation
- Imitating the appearance of the plaintiff's product
- Selling inferior or expired goods of the plaintiff as current stock
- False advertisement by copying a registered business's advertisement\

In Conclusion

I am of the view that passing off as an Economic tort is very relevant in 21 st century

Nigeria because, Economic torts in general protect the plaintiff from financial losses and injury, and passing off in itself will cause the plaintiff financial loss and injury as well as damage the credibility of the business and as such it is required to protect the rights of business owners.