

Extending extended passing off

Prof Jonathan Griffiths, Module Convenor for Intellectual Property

Hello, my name is Jonathan Griffiths and this is a video blog associated with the IP module on the University of London's Undergraduate Laws Programme.

It is entitled "Extending extended passing off"

A claim in the judge-made tort of passing off (which is discussed in chapter 11 of your module guide in IP) often goes hand-in-hand with a claim for infringement of a registered trade mark. Thus, for example, if I were to start manufacturing and selling computers under the sign "Apple" or "MacApple", I would certainly find myself on the end of a claim for trade mark infringement. In all probability, I would also be committing "passing off".

The most frequently cited description of the tort of passing off derives from the speech of Lord Oliver in *Reckitt & Colman* that is the Jif Lemon case as you remember. In that speech, he set out the three elements of the so-called "classical Trinity" that define passing off – the existence of "goodwill", of a misrepresentation and of damage (or threatened damage) – and of a relationship between those three elements.

In the example I gave a moment ago, the Apple Company has goodwill in that word, apple, (because the public understands it to designate goods deriving from the company). A misrepresentation would be likely to occur because consumers of my computers would be likely to be confused for those of the Apple Company and, as a consequence, that company would be likely to suffer damage (most likely through lost sales or harm to its reputation).

This would be a passing off case of the most obvious kind. However, the real advantage of the tort is its flexibility – its capacity to develop in a manner that covers a whole range of forms of unfair commercial practices – as long as they give rise to misrepresentations. In many of these instances, the tort covers situations which would certainly not be covered by registered trade marks. Think, for example, of the case of so-called "reverse passing off" discussed at 11.4.2 of the module guide or in the cases of character and personality merchandising discussed at 14.2.3.

Perhaps, however, the most notable developments in the protection offered by the tort has been the establishment of so-called "extended passing off" course of action. In such cases, a *shared* reputation or goodwill is held to arise in a product that is recognised by the public as possessing certain distinctive characteristics – and all legitimate traders in that product are permitted to rely on that "product goodwill" in bringing proceedings against third parties which falsely represents that product as being, or as being connected with, the product in which the extended goodwill arises.

In notable examples, that you may be familiar with, legitimate manufacturers of food and drink products – such as advocaat, champagne, vodka and Swiss chocolate have all sued successfully on such shared product goodwill, and have thus prevented others from competing unfairly by using the name of the product (in which "goodwill" is said to arise) – either explicitly or implicitly – in a manner that gives rise to a misrepresentation.

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In such cases, in order to establish goodwill in the product, a claimant has to demonstrate that the sign (generally the product name) at issue is (1) capable firstly of defining a product precisely and (2) in the eyes of a sufficient number of consumers, is distinctive of a product having a particular quality or qualities. As you will have read in the module guide, courts at various levels in the hierarchy have held that the products described a moment ago - advocaat, champagne, vodka and Swiss chocolate – all satisfy those conditions, but also courses of action have been brought based on Scotch whisky and Greek yoghurt – because they all – in the eyes of a substantial number of UK consumers – possess distinctive requirements and are sufficiently clearly defined and therefore provide the foundations for a claim in passing off of the extended variety.

To date, these cases of extended passing off have all related to a *product* of one form or another. However, in an interesting recent case in the Intellectual Property & Enterprise Court, yet a further extension of this tort has been canvassed as a possibility.

So, in *Military Mutual Ltd v Police Mutual Assurance Society Ltd* [2018] EWHC 1575, it was argued that such cases of “shared goodwill” were not restricted to *products* but could also arise in the name of a type of *service*. In the particular instance at issue in that case, the claimant argued that the particular type of financial service provided by “mutual” companies satisfied the conditions described previously necessary to establish “shared goodwill” – that is, the concept of a “mutual” service was both sufficiently clearly defined and, in the eyes of a sufficient number of consumers, was distinctive of a particular type of service. Furthermore, the claimant argued that the defendant was using that term in inappropriate way, so they were advertising their services of being of a “mutual” type but in fact there were not - and that’s the argument there that was responsible for a misrepresentation that could cause damage to the claimant.

Now in that case, HHJ Hacon in the Intellectual Property & Enterprise Court held that, on the facts of the case, the claimant failed to satisfy that the public did actually recognise ‘mutual’ as the name for a distinct class of services in the terms that the claimant was arguing. But most importantly for us in this blog now, it stated that, in a suitable case, there was no reason at all why the concept of extended passing off should not also protect the shared goodwill established in services – as well as in goods.

This seems to me to be yet another very good example of the tort of passing off’s most commented upon on quality that it is protean or flexible characteristic, its capacity to develop into new areas of unfair competition.

Now in this instance the claimant did not succeed but maybe you can think of situations in which a form of commercial service might satisfy the conditions of distinctiveness outline above – and that might also give rise to a claim of extended passing off?