

PASSING OFF

Definition	<p>Reddaway v Banham [1896] “nobody has any right to represent his goods as the goods of somebody else. How far the use of particular words, signs, or pictures does or does not come up to the proposition... must always be a question of evidence.”</p> <ul style="list-style-type: none"> • i.e. cannot represent your G/S as that of somebody else's • Stops persons and companies gaining a commercial advantage through wrongfully taking the attributes of another's business if it causes or is likely to cause that other person's business some damage → underlying rationale is to prevent commercial dishonesty (ConAgra v McCain (1992)) • **EVERYTHING DEPENDS ON WHAT IS GOING ON IN THE MINDS OF THE CONSUMERS 	
Application	<p>ConAgra v McCain (1992) – TEST IN AUS</p> <ol style="list-style-type: none"> 1. Proprietary right based on the goodwill/reputation in a business 2. The cause of action lies squarely in misrepresentation 3. Stops persons and companies from gaining a commercial advantage through wrongfully taking the attributes of another business if it causes or is likely to cause that other person's business some damage 	
Relationship with Trademarks	<p>No damages if the def was unaware + no reasonable means of finding out that the TM was in use + immediately ceased use once found out</p>	<p>S230(2) Trade Marks Act 1995 In an action for passing off arising out of the use by the defendant of a registered trade mark:</p> <ol style="list-style-type: none"> (a) of which he or she is the registered owner or an authorised user; and (b) that is substantially identical with, or deceptively similar to, the trade mark of the plaintiff; <p>damages may not be awarded against the def if the defendant satisfies the court:</p> <ol style="list-style-type: none"> (c) that, at the time when the defendant began to use the trade mark, he or she was unaware, and had no reasonable means of finding out, that the trade mark of the plaintiff was in use; and (d) that, when the defendant became aware of the existence and nature of the plaintiff's trade mark, he or she immediately ceased to use the trade mark
STAGE 1: Goodwill/Reputation		
What is goodwill?	<p>Attractive force that brings in custom</p>	<p>DEF: Attractive force that brings in custom - IRC v Muller (1901)</p> <ul style="list-style-type: none"> • Reputation without goodwill will not support an action in passing off: Anheuser Busch Inc v Budejovicky Budvar [1984] • Owning the property right of goodwill gives a trader standing to bring an action for passing off • Goodwill only last as long as it is in the mind of the consumers • DEF: Goodwill is reputation as a trader in Australia with respect to certain goods/services → attaches to indicia of reputation
Needs to be a trader	<p>Day v Brownrigg (1878): Both parties need to be traders for damage under passing off to arise</p> <ul style="list-style-type: none"> • Charities can be traders 	
Indicia of reputation	Distinguishing features	<p>Any marks, names or devices of any kind that are used as ciphers to teach the public how to get the trader's goods → indicia of goodwill: Powell v Birmingham Vinegar [1897]</p> <p>Test: whether the product has a distinctive character which the market recognises (due to advertising): Cadbury Schweppes v Pub Squash [1980, Privy Council]</p>
	Descriptive/Generic Indicia with Secondary Meaning	<p>Descriptive/generic names require secondary meaning to establish passing off: Reddaway v Banham (1896)</p> <p>Hornsby Building Information Centre v Sydney Building Information Centre [1978] If a name is merely descriptive of a particular type of business → use by others who also do the same type of business does NOT deceive or mislead as to the nature of the business described</p> <ul style="list-style-type: none"> • Descriptiveness → not distinctive of any particular business → application by other businesses will not ordinarily mislead the public

		<p>Apand v The Kettle Chip Company (1994) Kettle Chip Company had developed a secondary reputation among the relevant group of consumers (for method of cooking method) ∴ Apand's use of the term 'kettle' in its name could misrepresent that there was a connection between the traders → passing off established</p> <p>Global Orthopaedic Technology v Orthotech [2006] If the name is closer along the continuum toward descriptive names → heavier the onus on plaintiff to establish a secondary meaning.</p> <p>McCain International v Country Fair (1981)</p> <ul style="list-style-type: none"> The first user of a descriptive name will have to prove reputation to succeed A year or two of trading was insufficient to build secondary reputation in the descriptive name "oven chips" <p>My Kinda Town v Soll (1983) Subsequent traders can concurrently use a descriptive name if they distinguish their goods sufficiently</p>
	<p>Goodwill in get-up, characters, themes, etc</p> <p>Goodwill can attach to various indicia of reputation.</p>	<p>Goodwill can attach to: Words, names (made-up), logos ('devices'), shape ('get-up'), characters and advertising themes.</p> <p>Get-up (shapes) Jif Lemons (1990) Descriptive get-up can sustain reputation where there is a secondary meaning</p> <ul style="list-style-type: none"> In the mind of the consumers the shape starts to operate as a brand Goodwill could exist in the packaging of lemon juice in a lemon shaped container <p>Characters Pacific Dunlop v Hogan (1989) Significant section of the public viewing the advertisement would have been misled into believing there was a commercial arrangement between Hogan and Pacific Dunlop.</p> <ul style="list-style-type: none"> In the absence of an agreement by Hogan to endorse the shoes → misleading. <p>Advertising themes Cadbury Schweppes v Pub Squash (1980) Advertising themes can sustain reputation</p> <ul style="list-style-type: none"> Can potentially monopolise goodwill in advertising imagery
Geographical element	<p>Goodwill is assessed in relation to a geographical area and depends upon whether the trader has sufficient reputation in the jurisdiction</p> <ul style="list-style-type: none"> Does not have to span the entire jurisdiction Two traders could concurrently possess separate goodwill in different parts of a single jurisdiction. 	
Sufficient reputation within the particular country	Application	<p>Test: whether the trader has sufficient reputation (ie. It is known to a 'substantial number' of people) in the jurisdiction – ConAgra</p> <ul style="list-style-type: none"> Operation is in the MINDS OF THE CONSUMERS <p>Taco Bell Pty Ltd v Taco Co of Australia Ltd (1982) – OLD LAW Even if it has no place of business the people residing there may nevertheless be attracted to do business with the trader</p> <ul style="list-style-type: none"> Held that even if there was knowledge of 'Taco Bell' restaurants in the US by the Sydney public, the distance makes it improbable that people would make anybody attracted to do business ∴ no goodwill for passing off case <p>ConAgra v McCain (1992) – CURRENT POSITION The real question is whether the owner has established a sufficient reputation with respect to his goods within the particular country in order to acquire a sufficient level of consumer knowledge of the product and attraction for it to provide custom which, if lost, would be likely to result in damage → question of fact</p>

		<ul style="list-style-type: none"> • May not be physically present in the market of a particular country, but are well known there because of communications (e.g. advertising) + frequent travel of residents of many countries for reasons of business, pleasure or study. • Increasing and more instantaneous awareness of international commodities • Follows UK position: need not have business activities in the jurisdiction; question of fact of whether the business has goodwill or reputation in the UK
Temporal element	<p>Goodwill may arise before a trader actually trades in the jurisdiction/geographic area and may continue after the trader has stopped trading in the area. Whether or not it does so will depend on the trader's reputation among the relevant public at the time in question.</p> <ul style="list-style-type: none"> • TEST: is it operating in the minds of the consumer at a specific point in time? 	<p>Cases</p> <p>BBC v Talbot (1981) Goodwill may exist before trading has formally begun (e.g. through advertising)</p> <p>AdLibClub v Granville (1971) Goodwill may continue after a trader has ceased to carry on business.</p> <ul style="list-style-type: none"> • The court will decide as a question of fact and degree the point in time at which a trader whose business has ceased no longer has any protectable goodwill in the business or name attached to it. • While the trader retains the goodwill → can enforce its rights under passing off. <p>Ballarat Products v Farmers Smallgoods (1957) Intention to recommence trading may be required for passing off</p> <ul style="list-style-type: none"> • Not required for s52/s18 ACL if the public would be deceived
Collective goodwill	Goodwill may belong to a single trader or a group of traders.	<p>DEF: Collective goodwill' to be found in relation to identifiable qualities associated with products deriving from specific geographic regions that produce products using distinctive production processes.</p> <ul style="list-style-type: none"> • The indicia of reputation are known as 'geographic indications' ('GIs') • In most jurisdictions, GIs are protected by under TRIPS Arts.22 & 23. • Art 22 defines GIs as: "indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographic origin". • E.g. champagne
STAGE 2: Misrepresentation		
Principle	Has the defendant's action induced the public to confuse the source or quality of the plaintiff's product with the defendant's? → question of fact for the court	<ul style="list-style-type: none"> • The court can focus on significant features of the mark (such as the prefix or first syllable) when comparing them (Neutrogena v Golden (1996))
Application	<ol style="list-style-type: none"> 1. Whether relevant population has been deceived or likely to be deceived 2. A substantial part of the population needs to have been misled (ConAgra) 3. Has the person taken adequate steps to distinguish their goods and avoid misrepresentation? 	
Intention to deceive	Objective test: whether consumers were actually deceived/likely to be deceived	<p>Test: whether the relevant population has been misled or deceived. This can be actual deception of consumers, or behaviour that could foreseeably lead to such deception.</p> <ul style="list-style-type: none"> • The false representation must be 'calculated to deceive': AG Spalding v AW Gamage (1915). • May be satisfied even in the absence of the deliberate fraud or an actual subjective intention to deceive: Sydneywide Distributors v Red Bull (2002) • An innocent defendant can be guilty of passing off: Gillette v Edenwest (1994)
Common field of activity	NOT required in passing off	<p>Henderson v Radio Corp (1969): it is not necessary for a common field of commercial activity to exist.</p> <ul style="list-style-type: none"> • The closer your field of activity → more likely that consumers might get confused
Types of misrepresentation	Origin	<p>Misrepresentation that the goods from one trader came from another trader</p> <p>Woodtree v Zheng (2007) Use of similar packaging (i.e. get-up) → likely to mislead or deceive consumers into thinking that the respondent's products came from the same source</p>
	Quality	<ul style="list-style-type: none"> • Misrepresentation as to the particular quality of a product or services that causes harm to the plaintiff's goodwill • Applies to celebrity merchandising cases where a misrepresentation creates the impression that a product or service is being endorsed by the celebrity