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**Misrepresentation, Confusion and The Average Consumer: To What Extent Are The Tests for Passing Off and A Likelihood of Confusion Within Trade Mark Law**

**Identical?**

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Introduction

The respective tests for determining the existence of passing off or a trade mark infringement based on a likelihood of confusion contain key conceptual differences. In essence passing off involves the classic trinity of misrepresentation, goodwill and damage the classic example being where a trader misrepresents the goods he sells as though they were those of another, possibly by imitating the packaging and trade marks associated with this other trader, in order to achieve customer sales based on the goodwill of another and thereby causing damage to it. A basic trade mark infringement based upon the confusion rationale would be where the defendant sells goods under a sign that is identical or similar to a registered trade mark, the goods being identical or similar those for which the mark is registered and where the average consumer encountering those goods there exists a likelihood of confusion whereby the consumer mistakenly thinks that the defendant's goods are the claimant's goods or mistakenly believe that there exists an economic link between the two undertakings. Until fairly recently the courts appear to have adopted the view that in essence these two legal tests amounted to the same thing as though they were two ways of asking the same question thereby arriving at the same conclusion. This approach seems to have been originally endorsed by Jacob L.J. in *Reed Executive v. Reed Business Information*<sup>1</sup> a case in which there were actions for both trade mark infringement and passing off involving the mark 'REED' for

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<sup>1</sup> Reed Executive plc v. Reed Business Information Ltd [2004] EWHC (Civ) 159

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recruitment activities. Reed Business Information published specialist magazines where jobs for that sector would be advertised and Reed Employment ran an employment agency. Both parties to the dispute utilised the internet and had their own websites. In reaching his decision, Jacob L.J. focussed heavily on the similarities between the respective tests and emphasised that at key points they were essentially the same.

However, in a line of recent cases, this stance has been cast into doubt. Starting with the judgement of Lewison L.J. in *Interflora v. Marks & Spencer Flowers Direct*<sup>2</sup>, and continuing in the initial proceedings in *Cosmetic Warriors v. Amazon*<sup>3</sup> (where matters concerning the admissibility of evidence to support an action for passing off were decided) and most recently in *Moroccanoil Israel v. Aldi Stores*<sup>4</sup>, Jacob L.J.'s reasoning has been repeatedly called into question. It seems therefore that it is now time to re-visit this area and so this article aims to re-examine both legal tests in order to ascertain the existence and extent of any overlap before evaluating possible implications for future development.

### The Two Legal Tests

The law of passing off is one of the economic torts and is a means by which all traders can seek legal redress to protect the goodwill or reputation of their business from the misrepresentations made by other traders irrespective of whether or not the name under which they trade is a registered trade mark. The modern definition of the tort was given by

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<sup>2</sup> *Interflora v. Marks & Spencer* [2013] F.S.R. 21

<sup>3</sup> *Cosmetic Warriors Ltd. v. Amazon.co.uk. Ltd.* [2013] EWHC 2470 (Ch)

<sup>4</sup> *Moroccanoil Israel Ltd. v. Aldi Stores Ltd.* [2014] EWHC 1686

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Lord Diplock in *Warnick (Erven) v. Townend and Sons Ltd.*<sup>5</sup>, the ‘Advocaat’ case. Carty

regards that,

“For Lord Diplock five characteristics provide the essence of the tort: a misrepresentation; made by a trader in the course of trade; to his prospective customers; calculated to injure the business or goodwill of another; and which does so injure or probably will do so.”<sup>6</sup>

In order to try and simplify this, the courts have adopted the so-called classic trinity approach whereby they define the tort by reference to three concepts; misrepresentation, goodwill and damage.

“All three concepts of the classic trinity link together and shape each other: none are free – standing. The misrepresentation must be ‘calculated to injure’ the claimant’s goodwill and cause or be probable to cause such damage. It is the reliance on the misrepresentation which is the cement between the three elements of this trinity.”<sup>7</sup>

The most common type of passing off involves the defendant selling goods that purport to be those of the claimant. The most simplistic way for the defendant to achieve this is to copy the packaging and trade marks of the claimant’s goods and affix these to their own goods. In such instances the damage suffered by the claimant is fairly obvious, that his business will suffer as customers purchase goods merely purporting to be those of the claimant resulting in a loss of sales revenue to the claimant. However, that is not all, the claimant may suffer future loss of sales as these imposter goods may not be of the same quality that the claimant usually sells and that customers expect therefore if the customers feel dissatisfied with the

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<sup>5</sup> *Erven Warnink BV v. J Townend & Sons (Hull) Ltd.* [1979] A.C. 731

<sup>6</sup> Carty, H., *An Analysis of The Economic Torts*, 2<sup>nd</sup> Edition, (2010), OUP, at p. 229

<sup>7</sup> *Ibid.* at p.30

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goods they will mistakenly attribute that to the claimant and avoid all goods bearing their name in future. In such instances the goodwill and reputation of a business that may have taken many years to create may be destroyed in a fairly short period of time. The reliance placed by consumers upon the misrepresentation is the binding force between the three key elements of passing off whilst in trade mark law the likelihood of consumers being confused as to trade origin of the goods is central to infringement. It is this element which appears so very similar between the two that is the source from which the other similarities stem and that has led to the arguments for passing off and trade mark infringement to be treated as though they are two sides of the same coin. Article 5(1) of Directive 2008/95 sets out the provisions which form the basis for trade mark infringement based on the confusion rationale.

“Article 5- Rights conferred by a trade mark

1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:
  - (a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered.
  - (b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public; the

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likelihood of confusion includes the likelihood of association between the sign and the trade mark.”<sup>8</sup>

Given the fact that many businesses today register the signs under which they trade as trade marks there are many instances where a claimant will bring actions for both passing off and trade mark infringement in the same proceedings perhaps further helping to create the conditions in which their similarities have been over emphasised.

#### A substantial proportion of the public and the average consumer

Central to both trade mark infringement and passing off is the desire to prevent consumers from being confused or misled into believing that the defendant’s goods are those of the claimant. It is this element of consumer confusion and of the public being misled that is the strongest similarity between the two doctrines and the point from which stems the argument that they are essentially the same. However, passing off is aimed at safeguarding business goodwill whilst trade mark law is aimed at enforcing the proprietor’s right to exclusive use of his mark. This element of trade mark law is crucial for ensuring that the trade mark will signal to consumers that the goods originate from the proprietor. It also enables the mark to act as a guarantee of quality to consumers. Such a guarantee is not absolute, for a manufacturer is at liberty to alter the quality of his goods as he wishes, but the fact that the resulting losses or gains will accrue to him alone means that it is he who undertakes the risk. As Laddie J. once stated in *Arsenal v. Reed*<sup>9</sup> the trade mark signals to consumers that the goods are of a quality that the proprietor is content to distribute under his banner. Without

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<sup>8</sup> Article 5 Directive 2008/95

<sup>9</sup> *Arsenal Football Club Plc v. Reed* (No.1) [2001] 2 C.M.L.R. 23

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exclusivity of use in a mark this would not be able to happen. Passing off seeks to protect business goodwill which is the trading reputation of the economic undertaking proclaimed by the sign. Once again there is a strong similarity with trade mark law. The business goodwill proclaimed by the sign will be perceived by consumers in a very similar way to that which Laddie J. described for trade marks because once again consumers will associate certain standards or quality with that sign, either based on past experiences or the business reputation, the goodwill that they have heard about. As long as this sign is able when viewed by consumers to signal that one undertaking then their trading standards, business practices and product quality will accrue to them and no other and also not be affected by their rivals' practices. For a rival may decide to lower his standards but as long as customers do not confuse his goods with those of other traders no one is harmed by this act. It is when the sign no longer signals the claimant's standards that the problems arise. It is for this reason that counterfeit goods are loathed by trade mark proprietors because they have no control over the quality of the goods.<sup>10</sup> If shoddily made counterfeit goods are bought by customers who do not realise that they have bought a fake, and they have a bad experience then this will be linked to the real owner of the sign and the blame mistakenly laid at his door. Therefore it is crucial that consumers make the right link between the marks and the signs and the companies they represent. This is a strong element in both doctrines and what led to Jacob LJ's reasoning in *Reed Executive v Reed Business Information*.

“Next the ordinary consumer test. The ECJ actually uses the phrase ‘average consumer’.

The notion here is conceptually different from the “substantial proportion of the public” test applied in passing off(see e.g. *Neutrogena Corp. v. Golden Ltd.*) The ‘average consumer’ is a notional individual whereas the substantial proportion test involves a statistical assessment,

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<sup>10</sup> Sugden, D., *Grey Markets: Prevention, Detection and Litigation*, (2009), OUP p.6-7

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necessarily crude. But in the end I think they come to the same thing. For if a ‘substantial proportion’ of the relevant consumers are likely to be confused, so will the notional average consumer and vice versa. Whichever approach one uses, one is essentially doing the same thing- forming an overall (‘global’) assessment as to whether there is likely to be significant consumer confusion.”<sup>11</sup>

One important distinction between these two doctrines is the wording concerning who has to be misled or likely to be confused by the defendant’s use of a sign, passing off law talks about a significant proportion of the public whilst trade mark law talks of the average consumer. This begs the question, who are these people? Within passing off law the substantial proportion of the public is just that. However, the court will take account of the circumstances and make allowances so that it is a substantial proportion of the public who is buying that particular product. For example in *Kimberly Clarke v. Fort Sterling*<sup>12</sup> the product concerned was toilet paper. The defendant’s had produced a promotional wrapper to the effect that they were so certain that the customer would approve of their toilet paper that if they were unhappy they would exchange it for Andrex ( the market leader). The problem was that in an average supermarket shop lasting approximately 40 minutes customers only allotted roughly 10 seconds to choosing something as mundane as toilet paper and in effect would just read the word Andrex on the packet and throw the item into their trolley not realising their mistake until much later. In reality consumers pay more attention when buying a car than when purchasing toilet paper and therefore the legal test reflects this. In trade mark

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<sup>11</sup> Reed Executive Plc v. Reed Business Information Ltd [2004] EWHC (Civ) 159 at paragraph 82

<sup>12</sup> Kimberly Clark Ltd. v. Fort Sterling Ltd. [1997] F.S.R. 877

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Once again if the item is specialist, niche products sold to a niche market then the average consumer used here would be an average consumer of that niche market. However, does it follow that these two tests involving these two sets of people will always lead to the same result? Lewison L.J. in *Interflora v. Marks & Spencer Flowers Direct* addressed this.

“I agree entirely that the average consumer (in trade mark infringement) is conceptually different from the substantial proportion of the public test (passing off). What I find difficult to accept is that they come to the same thing. If most consumers are not confused, how can it be said that the average consumer is? I do not think that this particular paragraph of Jacob L.J.’s judgement is part of the ratio of the case and, with the greatest of respect, despite Jacob L.J.’s vast experience of such cases I question it. In some cases the result will no doubt be the same however, the question is approached; but I do not think that it is inevitable.”<sup>14</sup>

Lewison’s argument was returned to during the initial proceedings between *Cosmetic Warriors v. Amazon*<sup>15</sup> when before Mr. Justice Martin Q.C. the claimants were allowed to amend their proceedings to include a passing off claim but were refused the permission they sought to conduct and adduce a survey. Cosmetic Warriors own the trade mark ‘Lush’ for cosmetics and claim to be the inventor of the bath bomb, a product with which their brand is heavily associated. Amazon had purchased the word ‘lush’ as an adword meaning that whenever the word lush was used as a keyword in a Google search engine there would appear a sponsored link that would direct internet shoppers to the Amazon website where they could

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<sup>13</sup> *Sabel BV v. Puma AG Rudolf Dassler Sport (C-251-95)*

<sup>14</sup> *Interflora v. Marks & Spencer plc.* [2013] F.S.R. 21 at paragraph 34.

<sup>15</sup> *Cosmetic Warriors Ltd. v. Amazon.co.uk. Ltd.* [2013] EWHC 2470 (Ch)

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purchase bath bombs and other cosmetic/ beauty products. Amazon also have their own internal search engine within their own website where consumers can enter a keyword to direct them to the relevant pages of products. If a customer entered the word lush into this internal Amazon search engine they were directed to a page listing bath bombs and other goods which were made by rivals to Lush Cosmetics because no Lush products were sold via Amazon and crucially Amazon did not display a 'no results found' page but instead directed customers to alternative products. Cosmetic Warriors sought proceedings for both trade mark infringement and passing off. Whilst the arguments surrounding the use of trade marks as adwords is a topic beyond the scope of this article, what is interesting to note is that Cosmetic Warriors felt the need to issue proceedings in both and that this took place against the backdrop of the opposing views of Jacob L.J. and Lewison L.J. outlined above. Mr. Justice Martin Q.C. regarded this point of law as being in a state of flux and therefore was fully prepared to envision the possibility that the law would eventually be held to be that the tests for trade mark infringement on the one hand and passing off on the other are not only conceptually different but capable of leading to different results. It is for this reason that he had sympathy with the claimants seeking to be protected under both heads should the need arise. Surely given the different rationales upon which they are based this is the correct approach to adopt for although there are points at which they share strong similarities this ought not to blind us to their differences and that whilst in most cases the end outcome will be the same it is not always inevitable.

### Deception and Confusion in a Wider Sense

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Within trade mark law under article 5(1)(a) where the defendant's sign, the trade mark and the goods of both parties are identical, the likelihood of confusion seems to be automatically presumed. In such instances the only main recourse of defendants has been to plead that the use of the sign was not in the course of trade and therefore outside of the scope of the provision. Under article 5(1)(b) where there are differences between the defendant's sign and the trade mark and or the goods or services concerned, the likelihood of confusion is not automatic and therefore the test has been examined by the judiciary in greater depth.

Therefore it is from examining these judgements that one can most clearly see the judicial reasoning within trade mark law which led to an overlap with the tort of passing off. One of the problems noted by Hacon J. in *Moroccanoil Ltd. v. Aldi Stores Ltd.*<sup>16</sup>, is the loose use of language. Hacon J. views the word 'confusion' as being a "problem term". The wording has its origins in the Trade Marks Act 1938 and is currently found in section 10 of the Trade Marks Act 1994 which is the provision by which article 5 of Directive 2008/95 is transposed into U.K. law. Hacon J. views the root cause as being the phrase "deceive or cause confusion" which was found in the 1938 Act and that this led to a mistaken supposition within passing off that proof of confusion is an acceptable substitute for proof of deception. He notes that deception pre-supposes the existence of a misrepresentation whilst confusion does not. This distinction is crucial but unfortunately it has not always been clearly maintained as "the law reports are full of cases in which misrepresentation is discussed in terms of whether or not there was a likelihood of confusion on the part of the public."<sup>17</sup> This is hardly surprising considering that many claimants bring actions for both trade mark infringement and passing off in the same proceedings. Yet for passing off there has to be deception whilst for trade mark infringement a likelihood of confusion will suffice.

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<sup>16</sup> *Moroccanoil Israel Ltd. v. Aldi Stores Ltd.* [2014] EWHC 1686 at paragraph 9

<sup>17</sup> *Ibid.* at paragraph 9.

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Under trade mark law the likelihood of confusion is assessed by the so-called global appreciation approach which was set out by the CJEU in *Sabel v. Puma*<sup>18</sup>. The facts were that a sports clothing manufacturer wanted to register the mark ‘SABEL’ in a lozenge shape underneath a picture of a bounding cheetah. The famous sportswear brand Puma objected due to its similarity with their famous mark of a bounding puma and thought there would be a risk of confusion on the part of the public. The CJEU were faced with the issue of how to assess the similarity between the two devices. Should they assess the marks as a whole or focus on their distinctive and dominant components? Plus as one of the marks contained a word element was this enough to differentiate it from the one which was purely pictorial? Their answer to this was to hold that the two marks would be assessed globally taking into account all relevant factors. The marks were viewed as a whole whilst bearing in mind their distinctive and dominant components and that a greater degree of similarity between the two marks would off-set a greater degree of dissimilarity between the goods and vice versa. They also held that the greater the reputation of the mark (i.e. the more famous it is) the greater would be the likelihood of confusion and so a stronger mark could be protected against a wider range of goods. Crucially in *Sabel v. Puma* the court also ruled on the interpretation of the provision “including a likelihood of association” and did so by upholding the reasoning of Laddie J. in *Wagamama v. City Centre Restaurants*<sup>19</sup>. In this case when faced with infringement proceedings concerning the name ‘Rajamama’ for an Indian restaurant by the holders of the mark ‘Wagamama’ for a chain of Chinese restaurants Laddie J. thought that not only was there a likelihood of confusion due to their aural similarity and the fact that

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<sup>18</sup> *Sabel BV v. Puma AG Rudolf Dassler Sport* (C-251/95)

<sup>19</sup> *Wagamama Ltd. v. City Centre Restaurants Plc* [1995] F.S.R. 713

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often recommendations for restaurants are passed around by word of mouth, but that there was a risk that diners familiar with the mark 'Wagamama' would assume that they had branched out into Indian cuisine under a sister trade mark Rajamama. This reasoning took account of the reality of modern consumers being savvy about the economic links between undertakings and that due to this there may be occasions where consumers will be confused by similar marks into a belief that the undertakings are linked, for example that they are sister companies, part of a franchise or operate under a licence agreement. *Moroccanoil Israel Ltd. v. Aldi Stores Ltd.*<sup>20</sup> provides a classic example of this. The claimant a manufacturer and global purveyor of hair products, the most successful being a hair oil marketed under the name 'Moroccanoil' issued proceedings against the well-known supermarket Aldi for its marketing in the U.K. of a hair oil under the name 'Miracle Oil'. Moroccanoil claimed that sales by Aldi of Miracle Oil constituted passing off due to the name and get-up of 'Miracle Oil' being so similar to that of Moroccanoil that a substantial number of consumers would wither mistake Miracle Oil for Moroccanoil or assume that there existed a trade connection between the two in the form of sharing a common manufacturer or being produced under licence from Moroccanoil. This is similar to the meaning given to a likelihood of association within trade mark infringement under article 5(1)(b) Directive 2008/95. It echoes the reasoning set out by Laddie J in *Wagamama v. City Centre Restaurants*<sup>21</sup> because it is aimed at preventing the same kind of damage, the damage that can be inflicted upon another trader in circumstances where the public recognise that the two signs are different but regard them as being economically linked undertakings so that once again the sign does not signal one undertaking and its standards to the public. Whilst it is important to remember that trade mark law is concerned with confusion and passing off law with misrepresentation, the way in

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<sup>20</sup> *Moroccanoil Israel Ltd. v. Aldi Stores Ltd.* [2014] EWHC 1686

<sup>21</sup> *Wagamama Ltd v. City Centre Restaurants Plc* [1995] F.S.R. 713

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which the confusion can arise and the misrepresentation be manifested can be the same. This stems from consumers being familiar with companies branching out into neighbouring markets and of large scale enterprises trading under an assortment of names and marks. The legal actions may be different, but the factual circumstances which give rise to them may be identical. In this way the reasoning employed when assessing the existence of a misrepresentation in a wider sense appears similar to that employed when assessing the likelihood of confusion in a wider sense. This was illustrated by Hacon J. in *Moroccanoil Israel Ltd. v. Aldi Stores Ltd.* where he made the distinction between the public merely wondering if the products were the same as opposed to them being actually misled.

“I should be clear, though, that what matters is whether there was a misrepresentation. In this case that means whether the public would assume, because of the get-up and name Miracle Oil that either (a) is Moroccanoil or (b) is made by the same manufacturer (or licensed). This is not to be distinguished from the public merely wondering whether the products are the same, or are made by the same manufacturer or are licensed.”<sup>22</sup>

This last section again shares a strong similarity with the likelihood of association within a likelihood of confusion in trade mark law because the CJEU in *Sabel v. Puma*<sup>23</sup> demonstrated that what was necessary was that there exist a likelihood of confusion on the part of the public, a confusion as to the linking of the two economic undertakings signalled by the mark and the sign and that a mere association of the sign calling to mind the earlier trade mark was not enough on which to base an infringement action. Overall whilst passing off law focusses on misrepresentation and trade mark law is directed at preventing confusion, thus making

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<sup>22</sup> *Moroccanoil Israel Ltd. v. Aldi Stores Ltd.* [2014] EWHC 1686 at paragraph 12

<sup>23</sup> *Sabel BV v. Puma AG Rudlof Dassler Sport (C-251/95)*

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them different, they both share striking similarities. It is possibly this that has led to the boundaries becoming blurred at times.

### Clear Divergence: Initial Interest Confusion

One area in which the tests for passing off and trade mark infringement diverge is that of initial interest confusion, commonly referred to as bait-and-switch or substitution selling. This is an emerging area within trade mark law and in part due to its evolutionary nature there have been attempts to try and import this into passing off. Initial interest confusion is where a person upon encountering a sign similar to a registered trade mark, is initially confused by such use, but this is corrected before the purchase is completed. It formed one of the arguments put forward in *OCH-Ziff v. OCH Capital*<sup>24</sup> where the claimant OCH-Ziff, a global asset management group, managing numerous alternative investment funds, in other words a hedge fund, brought proceedings against OCH Capital a provider of stock broking services on an advisory and execution only basis for high net worth individuals or their companies and complained of the use by OCH Capital of that name on a sign in its office windows in Berkley Street, of “ochcapital” or “ochcapital.co.uk” online and its stylised logo and a shield and the words OCH Capital on its letterhead stationery, brochure office windows and website. Counsel for OCH-Ziff argued that there would be initial interest confusion and that this ought to be deemed to form part of the confusion rationale within trade mark law. On the facts one instance concerned an individual seeing the sign “OCH Capital” in their office window in Berkley Street and mistaking it for OCH-Ziff’s premises. Furthermore there was also a high likelihood that internet users typing the word “och” into a search engine

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<sup>24</sup> OCH-Ziff Europe v. OCH Capital [2010] EWHC 2599 (Ch)

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would mistakenly click upon the link for OCH Capital's website by mistake. Arnold J. did accept that initial interest confusion could form part of the confusion rationale within article 5(1) of Directive 2008/95. Initial interest confusion derives from U.S. trade mark law and during their submission counsel for OCH-Ziff cited a well-known hypothetical example of initial interest confusion taken from the U.S. case *Brookfield Communications Inc. v. West Coast Entertainment Corp.*<sup>25</sup> The example given involves two video stores, one called West Coast and another called Blockbuster. If Blockbuster were to display a billboard on a highway reading "West Coast Video: 2 miles ahead at Exit 7" when West Coast Video is located at Exit 8 but Blockbuster is located at Exit 7, customers looking for West Coast would turn off at Exit 7, and upon looking for West Coast and being unable to locate it, spy Blockbuster and take their custom there instead. Some customers may even prefer West Coast Video but simply cannot find they cannot be bothered to locate it and go to Blockbuster. The customers would know that they were buying from Blockbuster and that it was a different store and not economically linked to that enterprise, but nevertheless Blockbuster would be misappropriating West Coast's acquired goodwill. Arnold J. remarked that

"...it involves conduct that is something referred to as 'bait-and-switch'. That is to say, the defendant deliberately uses the claimant's trade mark as a bait to attract the consumer's attention, and then exploits the opportunity created to switch the consumer's purchasing intention to his own product or service."<sup>26</sup>

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<sup>25</sup> *Brookfield Communications Inc. v. West Coast Entertainment Corp.* 174 F. 3d 1036, 1064 (9<sup>th</sup> Cir. 1999)

<sup>26</sup> *OCH-Ziff Europe v. OCH Capital* [2010] EWHC 2599 (Ch.) at paragraph 82

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Whilst it appears to have been accepted that such initial interest confusion can comprise part of the likelihood of confusion within trade mark law and be actionable there remains an inability to transfer this across into the law of passing off due to the need for damage to occur for there to be a successful claim for the tort. Recently in *Moroccanoil Israel Ltd. v. Aldi Stores Ltd.*<sup>27</sup> an attempt was made to bring initial interest confusion within the scope of passing off. Presumably this would involve aligning it so as to be akin to an initial misrepresentation. This was the argument advanced for the claimant when it was submitted that there may be passing off even if the misrepresentation is dispelled by the time of the purchase of the defendant's goods is complete. *OCH-Ziff v. OCH Capital* was cited as authority for this. However, the alignment with trade mark law is not straightforward and instead of there being an overlap there is a clear divergence between the two types of legal action. If one attempts to equate passing off with initial interest confusion or bait-and-switch then one has to examine switch selling within passing off. Wadlow<sup>28</sup> discusses switch selling citing the classic example of *Spalding v. Gamage*<sup>29</sup>. Here the facts were that reject footballs, so-called 'seconds', were sold to the public as though they were of ordinary standard. The obvious bait-and-switch here is that the goodwill of Spalding was used to lure the public into purchasing footballs that were a substitute for the approved standard goods. The damage caused is obvious as consumers would buy the rejects and if dissatisfied with the quality falsely believe that the manufacturers had very low standards and that all of their goods were inferior. This is very different from *OCH-Ziff v. OCH Capital*<sup>30</sup>. Wadlow expresses that *OCH-Ziff v. OCH Capital* should not be

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<sup>27</sup> *Moroccanoil Israel Ltd. v. Aldi Stores Ltd.* [2014] EWHC 1686

<sup>28</sup> Wadlow, C., *The Law of Passing-Off Unfair Competition by Misrepresentation*, 4<sup>th</sup> Edition, (2011), OUP, at 7-058 to 7-059

<sup>29</sup> *Spalding (AG) & Bros. v. A.W. Gamage Ltd.* [1914-15] All E.R. Rep. 147

<sup>30</sup> *OCH-Ziff Europe v. OCH Capital* [2010] EWHC 2599 (Ch.)

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“...taken as standing for the proposition that ‘initial interest confusion’ in the trade mark sense is sufficient for passing off. The relevant criterion is not confusion in some abstract sense, but misrepresentation, and the misrepresentation must be a material one, in the sense of being really likely to cause damage.”<sup>31</sup>

Therefore if a customer makes an initial false assumption as to a trade connection between the claimant’s and the defendant’s goods and that assumption is dispelled before any purchase is made resulting in no damage being caused to the claimant there can be no passing off for the element of damage remains one of the key necessities for the tort. The crux of the matter is that with initial interest confusion, or an initial interest misrepresentation, the confusion is corrected before being acted upon and that is why there remains a clear distinction at this point between passing off and trade mark law.

## Conclusion

Due to the increasing importance of global marketing and creating a brand image built around a carefully chosen mark it is sensible practice for many businesses to register their signs as trade marks. An inevitable consequence of this is that when those marks are threatened by the actions of third parties the proprietor will seek redress often bringing actions under both passing off and trade mark law. Whilst the two actions share many similarities and at key points can initially appear to overlap this ought not to blind one to the fact that they are both separate doctrines. In many instances the end result, of a judgement in favour of either claimant or defendant, will be the same under both actions but it is not always inevitable for

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<sup>31</sup> Wadlow, C., *The Law of Passing-Off Unfair Competition by Misrepresentation*, 4<sup>th</sup> Edition, (2011), OUP, at 5-186

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although the two doctrines share many similarities they are not the same. In the key area of

initial interest confusion they clearly diverge and if, as predicted, this evolves within trade

mark law to play an ever increasing role then the points at which both doctrines differ will be

of great importance in future case law.