

# ***“The Consumer’s Eye: How Courts Determine Confusion in Passing Off Cases in Trademark Law”***

## **Abstract**

*This article delves into the pivotal role of courts in determining consumer confusion in passing off cases within trademark law. Passing off is a crucial legal tool used to protect business goodwill and prevent unfair competition, particularly when goods or services are misrepresented to deceive consumers. The article delves into the legal principles employed by Bangladeshi courts to assess confusion, focusing on how elements like goodwill, misrepresentation, and the likelihood of consumer confusion are examined in the context of both registered and unregistered marks. Additionally, it highlights the evolving challenges of protecting trademarks in an increasingly digital and globalized marketplace, emphasizing the need for adaptability in the law to address emerging issues such as online business practices and cross-border infringement. The article aims to provide a comprehensive understanding of how Bangladesh’s legal system safeguards consumers’ interests and upholds fair competition in the marketplace.*

## **Keywords**

*Passing off, trademark law, consumer confusion, misrepresentation & judicial interpretation,*

## **Introduction**

In the competitive landscape of commerce, brand identity and goodwill are invaluable assets for businesses. The doctrine of passing off serves as a vital legal safeguard against unfair competition by preventing one entity from misrepresenting its goods or services as those of another. This principle, which originates from common law, has evolved significantly to address modern commercial challenges. Courts across jurisdictions assess various factors to determine whether an act constitutes passing off, ensuring a fair marketplace for businesses and protecting consumer interests.

In Bangladesh, the doctrine of passing off plays a crucial role in trademark law, especially in the absence of formal trademark registration. The Trademarks Act, 2009, provides legal remedies against passing off, recognizing the importance of protecting businesses from unfair competition. Courts in Bangladesh consider elements such as goodwill, misrepresentation, and likelihood of

confusion when adjudicating passing off cases. With a growing economy and increasing brand awareness, the legal framework surrounding passing off continues to evolve, ensuring that businesses can operate in a fair and competitive environment.

This article explores the concept of passing off, its essential elements, the role of reputation and deception, judicial perspectives on trademark law, and the defenses available in passing off actions.

## **The Concept of Passing Off**

The tort of passing off has undergone considerable transformation over time. Initially confined to the misrepresentation of goods, it was later extended to services, professions, and even non-commercial activities. Today, passing off encompasses various forms of unfair trading and competition, where one party's actions cause injury to the goodwill associated with another's business.

At its core, passing off is concerned with misrepresentation that leads consumers to believe that the goods or services of one party originate from another. The law seeks to prevent entities from capitalizing on the reputation of others, ensuring that the public is not misled. Courts examine whether the defendant's conduct creates a likelihood of confusion, misleads consumers, and causes damage to the claimant's goodwill. [ *Ellora v Banarsi Dass AIR 1980 Del 254 at 257* ]

## **Evaluation of Passing Off in Trademark Law in Perspective of Bangladesh**

The scope of the law of passing off has evolved over the years in response to changes in the nature of trade and refinements in legal analysis. In Bangladesh, the doctrine of passing off is primarily governed by common law principles and the Trademarks Act, 2009. While Bangladesh follows the principles established in English common law, its application has been tailored to suit local commercial and legal contexts.

Initially, in the nineteenth century, the law of passing off was limited to cases where the defendant sold goods in substitution for those of the claimant. Over time, courts in Bangladesh, much like those in other common law jurisdictions, recognized the evolving nature of unfair competition, extending the tort to cases involving false endorsements, misrepresentation, and unfair business practices.

One of the key judicial considerations in Bangladesh is the protection of goodwill and reputation. The courts have held that a claimant must establish a significant reputation in the market and demonstrate that the defendant's actions mislead or confuse consumers. Unlike the outdated 'common field of activity' requirement from English case law (as seen in *Mc Culah v Lewis A May*), Bangladeshi courts have adopted a more pragmatic approach, focusing on misrepresentation and damage to goodwill rather than requiring both parties to operate in the same sector.

The primary purpose of passing off law in Bangladesh is to prevent unauthorized parties from capitalizing on another trader's established goodwill. This principle is critical in an economy where brand identity and consumer trust play a substantial role in market competition. Courts in Bangladesh have acknowledged that misrepresentation does not need to result in immediate financial loss; rather, the key issue is whether the claimant's goodwill is likely to be diluted or harmed.

Endorsements and celebrity goodwill have also been considered under passing off actions. A claimant in a false endorsement case must establish two key elements: first, that they possess significant goodwill or reputation in the relevant market; and second, that the defendant's actions create a false impression that the claimant has endorsed or approved the defendant's goods or services. This approach aligns with international practices and ensures the protection of both commercial entities and public figures from misrepresentation.

Bangladesh's legal framework and judicial approach towards passing off continue to evolve, incorporating both international precedents and local commercial realities. The enforcement of passing off laws through district courts, as outlined in the Trademarks Act, 2009, provides claimants with a legal remedy to prevent unfair competition and brand misappropriation. However, greater judicial clarity and consistent application of the doctrine will further strengthen its effectiveness in the country's commercial landscape.

### **Essential Characteristics of Passing Off**

To succeed in a passing off claim, a claimant must establish the following elements, often referred to as the "classical trinity":

1. **Reputation:** The claimant must demonstrate that their mark, name, or trade dress has acquired distinctiveness and is recognized by the public as an indicator of their goods or services.
2. **Deception:** The defendant's actions must mislead or confuse consumers into believing that their products or services are associated with the claimant.
3. **Damage:** The misrepresentation must result in actual or potential harm to the claimant's goodwill or business.

*Lord Diplock* further outlined five key elements for a valid passing off action:

- A misrepresentation [*Erven Warnink v Townend [1980] RPC 31 at 93 (HL)*]
- Conduct occurring in the course of trade
- Likelihood of confusion among consumers
- Foreseeable harm to the claimant's business or goodwill
- Actual damage suffered [*Reckitt & Colmar v Borden [1988] FSR 601 at 614 (CA)*]

### **Lack of Registration; No Bar to Passing Off**

Where an action for passing off is based on the alleged copying of the plaintiff's trade mark, the fact that such mark is not registered under the Act is no bar to success if the ingredients for passing off are established. In an action for passing off proof of the use of a device or of an essential particular of a device by which the plaintiff's products are characterized does not suffice to establish the cause of action. The court must further be satisfied that the manner of use was not such as adequately to distinguish the goods of the defendant from those of the plaintiff, and the burden of so satisfying the court rests upon the plaintiff. 10 In some cases the evidence required for establishing passing off and infringement may be the same. Registration is no defence in an action for passing off. [*Ballantine Vs Ballantyne [1959] RPC 273 at 281*]

### **Plaintiff Must Prove Distinctiveness of Mark**

In a passing off action the plaintiff must establish that the mark, name or get-up, the use of which by the defendant is the subject of the action, is distinctive of his goods in the eyes of the public or a class of the public. It must be proved that his goods are identified in the market by a particular mark or symbol. There is no such requirement in an action for infringement of a registered trade mark Even if the registered proprietor has never used the mark, he can restrain the defendant from using the mark. It may be possible to prove distinctiveness of the mark even without the sale of the goods. [ BBC V Talbot [1981] fsr 228 at 228]

## **Essential Distinction between Infringement and Passing Off**

Trademark infringement and passing off are both legal actions aimed at protecting brand identity, but they differ in their nature, scope, and legal requirements.

### **1. Statutory vs. Common Law Protection**

- ❖ **Infringement** is a statutory remedy under trademark laws (e.g., the Trademarks Act in many jurisdictions, including Bangladesh). It applies when a registered trademark is used without permission in a manner likely to cause confusion.
- ❖ **Passing off** is a common law remedy protecting unregistered trademarks or trade dress from deceptive use that misleads consumers.

### **2. Requirement of Registration**

- ❖ **Infringement** can only occur if the mark is registered. The owner of a registered trademark can take legal action against unauthorized use.
- ❖ **Passing off** applies even to unregistered marks, requiring proof that the brand has acquired goodwill and that consumer confusion is likely.

### **3. Burden of Proof**

- ❖ In **infringement**, the claimant must show unauthorized use of an identical or deceptively similar registered trademark. Confusion is generally presumed if the marks are similar.
- ❖ In **passing off**, the claimant must establish three elements:
  - **Goodwill** associated with the brand.
  - **Misrepresentation** by the defendant leading to confusion.
  - **Damage** suffered due to the misrepresentation.

#### 4. Nature of Protection

- ❖ **Infringement** protects trademark owners against unauthorized use of their registered marks, regardless of whether confusion occurs.
- ❖ **Passing off** protects business reputation and consumer interests, focusing on deceptive practices that cause confusion.

#### 5. Scope of Application

- ❖ **Infringement** is confined to registered trademarks and specific trademark classes.
- ❖ **Passing off** can apply more broadly, covering trade dress, business reputation, and even distinctive packaging.

The distinction between the two forms of action is set out by the Supreme Court in the following passage.

*“While an action for passing off is a common law remedy being in substance an action for deceit, that is, passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the vindication of the exclusive right to the use of the trade mark in relation to those goods . The use by the defendant of the trade mark of the Plaintiff is not essential in an action for passing off, but is the sine qua non in the case of an action for infringement. No doubt, where the evidence in respect of passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable imitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two ceases. In an action for infringement, the plaintiff must no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's marks is so close either visually, phonetically or otherwise and the court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up, packing and other writing or marks on the goods or on the packets in which he offers his goods for sale marked differences, or indicate clearly a trade origin different*

*from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff.” [Durga Dutt Navaratna Pharmaceutical AIR 1965 SC 980 at 900]*

### **Test of Descriptiveness:**

The true test in determining whether a particular name or phrase is descriptive is whether, as it is commonly used, it is reasonably indicative and descriptive of the thing intended. In order to be descriptive, within the condemnation of the rule, it is sufficient if information is afforded as to the general nature or character of the article, and it is not necessary that the words or marks used shall comprise a clear, complete and accurate description. The meaning which should be given is the impression and signification which are conveyed to the public, whether words or marks claimed as trade marks are descriptive or whether they are suggestive or arbitrary and fanciful must be decided with respect to the articles to which they are applied and the mark must be considered as a whole. Corpus Juris Secundum, Vol. 87, para 34 at p. 271 quoted and applied in Kala Niketan v Kala Niketan AIR 1983 Del 161 at 165 (Kala Niketan' held not descriptive of sarees).

### **Defenses in a Passing Off Action**

A defendant may invoke several defenses to contest a passing off claim:

1. **Lack of distinctiveness:** The claimant's mark is not sufficiently distinctive to warrant protection.
2. **No likelihood of confusion:** The defendant's use of the mark is unlikely to mislead consumers.
3. **Prior use and legitimacy:** The defendant has an independent right to use the mark or name.
4. **Isolated incidents:** Instances of confusion are rare and do not constitute widespread deception.
5. **Acquiescence or delay:** The claimant has knowingly allowed the defendant's use over time without objection.
6. **Descriptive fair use:** The defendant uses the mark descriptively rather than as a source identifier.

## Remedies for Passing Off

Under Section 97 of the Trademarks Act, 2009, remedies for passing off include:

- **Injunctions:** Preventing further use of the infringing mark.
- **Damages or account of profits:** Compensating the claimant for financial loss.
- **Destruction of infringing materials:** Removal of misleading labels and marks from circulation.

As per Section 96, only District Courts have jurisdiction over passing off cases, ensuring a structured legal process for resolving disputes.

Before initiating a passing off lawsuit, it is advisable to send a **Cease and Desist Notice** to the infringer. This legal notice serves as a formal warning, instructing the infringing party to immediately stop using, selling, or producing the disputed goods.

If the infringer complies with the notice by:

1. **Providing an undertaking** to cease the infringing activities,
2. **Discontinuing the use of the mark, trade name, or trade dress,** or
3. **Handing over the infringing goods,**

then the rightful owner of the trademark or trade dress may choose not to proceed with legal action. However, if the infringer fails to comply, the original owner has the right to file a passing off suit in court to seek legal remedies.

## Who May Sue and Who May Be Sued?

In Bangladesh, a passing off action may be pursued by any entity that has established goodwill in a trademark, trade name, or trade dress. This encompasses businesses, professionals, and even public figures whose names or endorsements carry commercial significance. Such entities have the right to seek legal remedies if their reputation is misrepresented or their brand is unfairly exploited. On the other hand, a defendant in such cases could be any individual or entity whose actions cause consumer confusion or take undue advantage of another's goodwill. This includes competitors, manufacturers, retailers, or even domain name registrants who adopt similar marks or trade dress to mislead the public.

## Offenses, Penalties, and Legal Consequences

Sections 71-88 of the Trademarks Act, 2009, outline penalties for infringement and passing off. These include fines, imprisonment, and other punitive measures aimed at deterring deceptive trade practices. Courts take a strict stance against businesses that deliberately attempt to ride on the reputation of established brands.

## **Conclusion**

In Bangladesh, the doctrine of passing off plays a crucial role in protecting businesses and consumers from deceptive trade practices. Given the country's growing economy and expanding marketplace, the need for robust trademark enforcement is more significant than ever. Courts in Bangladesh apply established legal principles to assess misrepresentation and consumer confusion, ensuring that businesses do not unjustly benefit from another's goodwill. However, with rapid digitalization and evolving commercial strategies, the legal framework must continue to adapt to emerging challenges. Strengthening enforcement mechanisms and raising awareness about intellectual property rights will be essential in maintaining fair competition and consumer trust in Bangladesh's dynamic market.

Writer:

**Nabendu Bhattacharjee**  
**Advocate**  
**SCBA ID No.6932**