

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
INTELLECTUAL PROPERTY

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 28/05/2010

Before :

THE HON MR JUSTICE FLOYD

Between :

NUMATIC INTERNATIONAL LIMITED

Claimant

- and -

QUALTEX UK LIMITED

Defendant

Michael Bloch QC and James Abrahams (instructed by **Arnold & Porter LLP**) for the
Claimant

John Baldwin QC and Lindsay Lane (instructed by **DLA Piper LLP**) for the **Defendant**

Hearing dates: 5th-7th, 10th and 12th May 2010

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

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THE HON MR JUSTICE FLOYD

Mr Justice Floyd :

1. This is a passing off action about vacuum cleaners. The principal allegation in the action is that the defendant (“Qualtex”) threatened to place on the market a product which, if marketed, would, by its appearance and get up, deceive purchasers into thinking it was one of the claimant’s (“Numatic”) well known Henry vacuum cleaners. It is regrettable that the case should have reached trial, because the parties are fighting about a product which is not on the market and which will never now reach the market even if Qualtex are successful. Normally that should put an end to expensive intellectual property litigation, but the parties have been unable to settle due, I would imagine, to what are now the very significant costs, the responsibility for which will turn on the result of the action.

Background to the action

2. Numatic manufacture successful ranges of vacuum cleaners for commercial and domestic use. Most people have seen examples of one. The best known is called the Henry. It is a tub type construction. It has a domed black lid which some people recognise as a bowler hat. Below the bowler hat it is red and there is a printed smiling face. The nose is the hole where the hose emerges from the side of the tub, and gives the appearance of an elephant’s trunk when the hose is connected. A typical Henry looks like this:



3. Henry is part of a range of cleaners made by Numatic. Other names given to their models are Hetty, Charles and George, which have different colours, but Henry is the best known. Excluding the pink Hetty (which, exceptionally, sold some 160,000 units in 2009) non red/black colourways represent about 50,000 units or 15% of sales in the UK. Numatic have invested significant resources in giving Henry an anthropomorphic character and appearance. The Henry range has also, as the evidence showed, established an excellent reputation for reliability.
4. Numatic also make a range of commercial cleaners some of which are similar in design to Henry, such as the NRV 200 depicted below. The NRV 200 has a flange or skirt around the bottom of the base, and is taller than the domestic Henry. The commercial cleaners do not have names – they have the word Numatic on them instead – but they still have the smiley face. Others in the commercial range, because of their use of a metal construction, have a rather different appearance.

5. Numatic's principal witness was Mr Jonathan Evans. He was rather a careful witness, preferring not to agree to any statement unless its contents were exactly reflected in the document to which he was being referred. But I have no reason to suppose he was not giving his evidence truthfully.
6. Qualtex have been engaged in the vacuum cleaner aftermarket for many years. Their business has been very successful. Their main witness was Mr Philip Hulme, the son of George Hulme who founded the business as George Hulme (Stockport) Limited. Mr Philip Hulme was a somewhat argumentative witness, preferring on a number of occasions to stress his company's defences to the claim rather than answering the questions put to him. This caused me to lack confidence in some aspects of his evidence, particularly where questions of chronology, or where explanations for taking particular steps were concerned.
7. At some point prior to the end of January 2008 Qualtex formed the intention to have manufactured and to sell a replica of the Henry cleaner. Qualtex concluded that, provided that they chose a design in which all relevant intellectual property rights (such as all the various forms of national and community, registered and unregistered design rights) had expired, they should be free to do so, provided that they did not use any Numatic trade mark such as the name Henry. In this they are absolutely right. There is no point in having design rights with expiry dates if traders are not free to market replica products thereafter. The only qualification to this is that they must not market a product in such a way as to lead to passing off.
8. Accordingly on 31st January 2008 Qualtex instructed solicitors, Robinsons, to write to Numatic telling them that they intended to launch such a product, but that it would not use the Henry name or have a Henry "face" or anything confusingly similar to either. At this stage Robinsons did not identify for whom they acted, but nothing turns on this, because they identified themselves in their next letter, in response to a request from Patent and Trade Mark Attorneys, FJ Cleveland, instructed by Numatic, for these details and for details of the proposed product.
9. Robinsons' letter of 21st February stated that the product would be a replica of the 1997 version of Henry, and repeated its request that Numatic state whether any rights in or relating to Henry would be infringed. On 25th February 2008 FJ Cleveland wrote asking whether the replica product would reproduce any of the Henry colourways. It also asked for clarification of what brand name or other insignia would be used, as this would be relevant to an action in passing off. Robinsons responded on 28th February asking that Numatic should respond on the basis (a) that Qualtex uses the same or similar colourways and (b) that it does not. So far as insignia were concerned, the letter asked that Numatic should respond on the basis that entirely different brand name/insignia were to be used. As the earlier letter had foreshadowed, on 19th March 2008 FJ Cleveland wrote asserting that Numatic was the owner of a valuable goodwill in the appearance of the Henry including its shape and get-up which it could protect by an action in passing off. They made the position plain in the following way:

"The appearance of the Henry is, quite simply, iconic. It is probably the most distinctive and recognisable vacuum cleaner on the market. Such distinctiveness and recognisability resides in a number of features, including the "bowler hat" shape on

the cylindrical base, the “smiley face” graphics and the red and black colourways. Our client instructs us that the basic shape and appearance has not changed over the years and that, whilst the majority of the sales have been in the red/black colourway, it has been sold in various other colourways””

10. The letter made it clear that Numatic were not prepared to answer on the basis of any hypothetical insignia or branding and repeated a request made earlier for a mock up or prototype. Numatic therefore asked for undertakings not to market the product.
11. Robinsons’ response of 27th March 2008 took issue with the assertion that rights subsisted in the shape independently of the Henry name, the smiley face and the red/black colourway, which features Qualtex did not intend to use. It also stated that whichever brand name Qualtex chose to use for its proposed product (which had yet to be finalised), it would not be, in any way, confusingly similar to Numatic’s “HENRY” brand. The letter also contained the following important paragraphs:

“Our client absolutely refutes the allegations that it is proposing to pass off its products as those of your client or that it has made unambiguous and immediate threats to do so. Indeed, whilst, but the reasons explained above (lack of distinctiveness, misrepresentation or damage) we consider it unnecessary for a client to do so, our client is currently also considering what active steps it might take to positively distinguish its product from your client and/or the Henry product. We and our client will be happy to consider any reasonable and sensible proposals you or your client may wish to make in this regard. You will of course be aware that in passing off cases unlike registered trademark cases, the Court can -- indeed must -- take all relevant circumstances into account such as the presence of distinguishing factors.

...

Other than the basic shape of its product (which we have told you is a replica of the 1997 Henry design) our client has not yet finalised the brand name or insignia for its proposed product; it does not currently have prototype samples available. That is why we have asked your client to assume, for the purposes of this correspondence, that our client will be using an entirely different brand name and insignia to that used by your client. The onus is firmly on our clients to ensure that it does so; if it fails to do so your client would remain entirely unprejudiced by having responded to our client’s invitation on the basis of said assumption.

Accordingly, the undertakings enclosed with your 19th of March letter are inappropriate and our client does not agree to give these. At this stage, given that there are material aspects of our client’s proposed product yet to be finalised -- e.g. its brand name, colourways and other indicia. In light of this it would be

entirely premature of your client to issue proceedings on a *quia timet* basis as threatened in your letter.”

12. Numatic’s response in its letter dated 17 April 2008 was to instruct its solicitors, Arnold & Porter to take up the correspondence. They took issue with Qualtex’s position in relation to passing off and pressed for further details as to the branding, markings, colourways and presence of a “bowler hat” top. They proposed (in place of the previous undertakings) that Qualtex provide them with a sample and accompanying sales literature and undertake to give 21 days notice of intention to market or sell the replica. The letter made a special point of refusing to become involved in assisting Qualtex to “in the design of its “replica” product”.
13. The exchange of opening salvos comes to an end at this point. The precise get-up of the Qualtex replica was still uncertain, and the parties were at odds as to whether the similarity of shape and the “bowler hat” were on their own likely to give rise to passing off. Qualtex were promising “active steps ... to positively distinguish” its products, but had declined to inform Numatic of what these were.
14. Some 11 months later, on March 9th 2009, Mr George Hulme, of Qualtex sent an email to Jonathan Evans of Numatic on the eve of an important industry exhibition at the NEC in Birmingham. It was in the following terms:

“Re: Creating a competitor”

To avoid any misunderstanding, the presence of an alternative NRV on the Qualtex stand at the "Cleaning Show" is entirely due to the constant and unreasonable stance of Mr Duncan in treating Qualtex personnel as second-class citizens. By refusing direct supply or insulting one's intelligence by a Machiavellian contrivance of terms to achieve the same thing. Whilst at the same time allowing Qualtex competitor’s unfettered access to direct supply.

Do not concern yourselves with any "passing off" lingering hopes of maintaining monopoly as the varying branding will take the avoidance of this seriously and effectively.”

15. “Creating a competitor” was a reference to a grievance Qualtex apparently felt as to the terms on which Numatic were prepared to supply Qualtex with Henry vacuum cleaners. Whilst the tone of the email might be criticised as aggressive, there is no doubt that the letter was claiming that Qualtex was going to apply serious and effective branding to the “alternative NRV” product, at least when it came to be sold, sufficient to prevent any possibility of passing off. No details of the branding were supplied. It was therefore not possible for Numatic to judge whether the branding Qualtex had in mind would live up to this description.
16. The Cleaning Show took place at the NEC in Birmingham on 11th March 2009. A prototype of the Qualtex replica product was displayed on the Qualtex stand. Representatives of Numatic visited the stand and were able to inspect the product and take photographs. The Qualtex replica product was placed on top of a washing machine at a prominent place on the stand, but without any explanatory literature or

signage. The product was nevertheless obviously on a Qualtex stand and surrounded by other Qualtex products. It had no brand name applied to it, however. Whilst a different colour had been chosen for the base, the bowler-hatted lid was in shiny black, just as in the Henry.

17. The Qualtex replica product looks like this, alongside a typical domestic Henry:



18. It will be seen that it differs from the typical Henry in that it has a circumferential flange or skirt around the base of the tub. That is a feature of the Numatic NRV 200, and also of the Numatic domestic cleaners Charles and George. Below the Qualtex prototype is pictured alongside the NRV200.



19. Between April 2008, when the solicitors' correspondence came to an end, and the Cleaning Show, Qualtex had decided that they would make a replica of the NRV200 machine, rather than the basic Henry product. A note made by Philip Hulme on 23rd April 2008 records this decision, together with a decision that the name of the range would be "Quick Clean". This decision was not communicated to Numatic. By August 2008 Qualtex had received a hand made sample. The replica was to be slightly taller (perhaps by about 15 mm) than the original. In December 2008 Qualtex received photographs of the machine in a variety of different colours for the base and with either black or silver lids. By 1st February 2009 Qualtex's employee Mohsen Hamed was pressing the Chinese agent for the sample machine "to put on the show as this is our good chance to sell in advance". The agent was to push hard for "good looking samples to put in the show".
20. A sample was received on 27th February 2009. By 4th March 2009 Qualtex had sent detailed comments on the sample back to China dealing with features of the mechanical design, but not making any significant change to the outer appearance of the replica.

21. Following the Cleaning Show, Qualtex reported to their Chinese suppliers that the sample machine was

“well received and we found many buyers who wish to “own brand” the product. We have decided that we will provide the various own brand labels and stick on transfers in the UK as it will be easier to do. This means we will ask you to provide just one sticker label loose in the carton. The wording for the sticker now is **Quick Clean Equipment** and on the carton –

Quick Clean Equipment (Artwork to follow)”

22. It is clear that Qualtex had indeed found buyers for the machine at the Cleaning Show, although they did not take any orders. Qualtex were intending to allow large commercial purchasers to have their own names printed onto the labels to place on the machines. These labels would be produced in England. The underlying idea was to prevent theft of the cleaners by employees. This facility was also one offered to some of Numatic’s customers – an example with the name “Nationwide” on it was produced at trial lacking any other name or the smiley face.
23. If the machines were to be branded Quick Clean, on the other hand, the labels were to be provided loose by the manufacturers and included in the carton.
24. On 4th April Mohsen Hamed wrote to the Chinese supplier asking whether the new sample had been sent. He said that it was urgent as Qualtex had orders for more than 5000 machines already and they did not want it to “go cold”. Mr Hamed was not called, but Mr Hulme explained this communication as referring only to an estimate of potential market size in Australia. Although Qualtex did not have signed orders, I believe that by this date they had significant expressions of interest from customers, both in this country and abroad, generated mainly at the Show on the basis of the prototype machine shown at the Show. So, for example, on 15th April Mr Hamed wrote to the Chinese suppliers to say that Qualtex had customers interested in full containers of the “Numatic machine”. Mr Hulme contended that Mr Hamed was not being accurate about this, but I consider it more likely that Qualtex did indeed have very significant customer interest in a machine to the design of the prototype shown at the Show in April 2009.
25. Numatic’s solicitors did not write to Qualtex immediately after the exhibition. Instead they started to commission a market research survey (of which more later) designed to establish that the replica product (without branding) would lead members of the public to think it was a Henry. Finally, on 29th April 2009 they wrote to say that they were in the process of obtaining detailed witness statements from the interviewees. They asked for undertakings that Qualtex would not deal in (1) “any vacuum cleaner ... that has a top in the style of a bowler hat (whether with or without a brim and of any colour or colours)”, (2) any product which is “identical or substantially similar to, the appearance of any or all of Numatics’ Bowler Hat Cleaners”, (3) “any product that is identical to or substantially similar to the replica in appearance”, acknowledging that alterations to the dimensions, changing the colour or adding additional branding will not avoid a breach of the undertaking. Interim relief was threatened.

26. On 7th May 2009 new solicitors acting on behalf of Qualtex, SAS Daniels LLP, wrote a long letter in response. They indicated that the product was intended “*primarily but not entirely exclusively*” for the commercial market and “*will incorporate the features of the round top but it incorporates a number of improved features such as the increased size of the tank capacity to allow use of both small and large disposable bags*”. So far as branding was concerned they said:

“Although the manner in which our clients will brand market the machine is a matter for them, we can inform you that in fact that vacuum cleaner will not be aimed at the general public but that existing and new commercial and wholesale customers, many of whom may elect to apply their own Company's logo and branding to the vacuum cleaner.”

27. Proceedings were commenced by claim form dated 19th May 2009 accompanied by an application for an interim injunction. The application for an interim injunction was compromised on terms embodied in the order of Sales J dated 16th July 2009. Qualtex undertook not to sell vacuum cleaners “having the appearance or substantially the appearance of” the photograph of the replica taken at the Cleaning Show. There was a carve-out in relation to 100 vacuum cleaners which could be sold to Qualtex UK trading as Kenco Spares in Dublin, provided that any such vacuum cleaners were not re-imported. Equally it was not to be a breach for Qualtex to sell the vacuum cleaner depicted in Annex B of the Defence which had been served on 24th June 2009.
28. The Defence had been served on 24th June 2009. Paragraph 34(ii) of the Defence offered and gave an undertaking that Qualtex would not offer or sell the prototype shown at the Cleaning show. The pleading explained at paragraph 31 that, since the Cleaning Show, Qualtex had done further work on the design and branding of the prototype, resulting in the cleaner depicted in Annex B. This was the machine which Qualtex intended to market and sell.
29. The Annex B cleaner (pictured below) had a bumper band and tool caddy support permanently fitted to the top. The top and bottom were cobalt blue. It was branded with the words “Quick Clean Equipment” which appear on Qualtex’s other commercial products. The word “Commercial” also appears on it.



30. Numatic do not contend that the sale of this machine would be passing off. Qualtex have now developed the concept further and are intending to bring out a domestic version of the Annex B machine. Again Numatic take no objection to it.
31. Even after the letter before action in April, Qualtex were still working towards producing a replica machine. Matters were held up a little in May when Qualtex

requested commercial certification – previously the motor had only been certified for domestic use. I accept Mr Hulme’s explanation that this was due to a misunderstanding by the suppliers, rather than a reflection of an intention on the part of Qualtex to sell a purely domestic machine. By 18th May Qualtex had what is described as “the final print” of the boxes for the Numatic. There were two sheets of these. The first, in blue, showed the original prototype machine. The machine in the photograph on the box was unbranded and was to all intents and purposes the same as the prototype exhibited at the show, but the box carried the Quick Clean Equipment brand. The box stated that the machine was equally suitable for domestic or commercial cleaning situations. The second box print was in green, and neither the box nor the machine (which had a black top and green base) were branded. Mr Hulme said that this was the 110V machine, but, even if that box was ultimately to be used for a 110V machine, there is no sign in any document which I was shown of a 110V machine, nor is there any reason why it should come in a differently branded box. It seems to me to be likely that it was a version of the machine which could be sold without any form of branding – for example to those customers who wished to place their own name on the machine.

32. 100 machines to the prototype design, and in the packaging referred to as the “final print” were manufactured in China and shipped to the UK. Mr Hulme’s evidence was that these were for field testing. They were ultimately shipped to Ireland in September 2009, where they were sold pursuant to the exception in the court’s order. If this was a field test at all, it was a very informal one, as Numatic themselves were able to purchase a machine for use at the trial from the Irish distributor. There was no label on the machine and the stickers with the brand name were loose in the box. I think that these 100 machines are further evidence that Qualtex had a settled intention to market the replica machine to the design of the prototype. The exception for these machines was negotiated on the basis that their production “could be too far along to be stopped”. It is clear that subsequent production of machines to the design of the prototype was halted, but only after the commencement of proceedings.
33. I accept of course that at some point Qualtex decided to incorporate the bumper band and tool caddy, and that there were discussions between Mr Hulme and his father about this possibility. However the first reference to these design changes in any document is at the very end of May 2009, although it was discussed earlier between Mr Hulme and his father. On balance I believe that the change to the design cannot have been implemented in any concrete sense until after the action commenced. It was certainly not communicated to Numatic before proceedings were commenced, and Numatic had no reason to doubt that, as SAS Daniels’ letter of 7th May had said, the machine would incorporate the features of the round top. This would not have been the case with the modified machine.

The issues

34. The issues which arise for decision are the following:
 - i) What, if anything, was Qualtex threatening to do at the date of the commencement of proceedings?
 - ii) Whether any threat which existed continued following service of the defence;

- iii) Whether anything which Qualtex threatened to do amounted to passing off.

The Law

35. There is no dispute that about the elements which need to be established in order to make good a claim in passing off. In the Jif Lemon case, *Reckitt & Colman Products Limited v Borden Limited* [1990] 1 WLR 491 at 499 D-H, Lord Oliver said:

“The law of passing off can be summarised in one short general proposition – no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying “get-up” (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff’s identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”

36. A claimant who brings a *quia timet* action, expressly mentioned by Lord Oliver in that passage, is necessarily obliged to prove the elements of its case (other than its reputation) on a somewhat theoretical basis. In some cases it may be obvious that the threatened acts of the defendant will amount to a misrepresentation and will harm the claimant’s goodwill and reputation. In others it may be more difficult. The court’s task is not aided by the fact that there will be no opportunity for real instances of confusion to take place.
37. In *Neutrogena v. Golden*, Jacob J (as he was then) explained the Court’s approach at 482:

The proper approach of the court to the question was not in dispute. The judge must consider the evidence adduced and use his own common sense and his own opinion as to the likelihood of deception. It is an overall “jury” assessment involving a combination of all these factors, see “*GE*” *Trade Mark* [1973] RPC 297 at page 321. Ultimately the question is one for the court, not for the witnesses. It follows that if the judge’s own opinion is

that the case is marginal, one where he cannot be sure whether there is a likelihood of sufficient deception, the case will fail in the absence of enough evidence of the likelihood of deception. But if that opinion of the judge is supplemented by such evidence then it will succeed. And even if one's own opinion is that deception is unlikely though possible, convincing evidence of deception will carry the day. The *Jif* lemon case (*Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341) is a recent example where overwhelming evidence of deception had that effect. It was certainly my experience in practice that my own view as to the likelihood of deception was not always reliable. As I grew more experienced I said more and more "it depends on the evidence."

38. Where the damage relied upon is the diversion of sales from the claimant to the defendant, the evidence must establish that the misrepresentation leads the purchaser to the erroneous conclusion about the source of the goods. It is not enough if the purchaser is merely caused to wonder: see per Jacob LJ in *Phones 4U* [2006] EWCA (Civ) 244; [2007] RPC 5 at [16]-[17].

39. It is recognised that it is more difficult to acquire a sufficient reputation and goodwill in the shape or get-up of a product. Whilst the principal function of a brand name is to denote origin, the shape and get up of a product are not normally chosen for such a purpose. A member of the public seeing a product which looks identical to another (a red cricket ball is an example) does not necessarily, or even normally, conclude that they come from the same source. The claimant must prove that the shape of its goods has come to denote a particular source to the relevant public: see *Hodgkinson & Corby v Wards Mobility* [1994] 1 WLR 1564 per Jacob J at 1573-4. In that case Jacob J asked whether:

"the plaintiffs have proved that the shape of their cushion is the "crucial point of reference" for those who want specifically a ROHO cushion... And have they proved that persons wishing to buy a Roho cushion are likely to be misled into buying a Flo'Tair..?"

40. A number of authorities make it clear that great care needs to be taken with survey evidence obtained from members of the public in passing off actions: see e.g. *Scott v NicePak* [1989] FSR 100. In particular, if the object of the exercise is to establish consumer reaction to seeing a product for the first time, it can be misleading to suggest to the interviewee, by the form of the question, that the product is one which they could already have seen on the market: see per Lewison J in *UK Channel Management Ltd v E! Entertainment Television Inc.* [2007] EWHC 2339 at [9] to [12] and per Geoffrey Hobbs QC (sitting as a deputy judge of the Chancery Division) in *Whirlpool Corp v Kenwood Ltd* [2009] RPC 2 at [39]. In the latter case the question asked was simply "what can you tell me about this product". The deputy judge said this:

"The answers elicited by these questions are likely to be inconclusive for a number of reasons. Interviewees were invited to talk 'about this product' from a perspective of their own choosing. References to shape and appearance from a trade mark point of view would be random occurrences. There

was a risk that the first question would be taken to imply that ‘this product’ was one which the interviewee was able from experience to ‘tell me about’, thus nudging interviewees into thinking and speaking of it as a product that was known rather than unknown to them. Interviewees were not asked to indicate whether they were to any degree familiar with either the shape and appearance of [the defendant’s product] or the shape and appearance of [the claimant’s product]. No relevant trends or patterns could be identified in the answers provided by the different respondents without that information.”

41. I agree that answers from surveys of this kind are likely to be inconclusive. Moreover, as Lewison J pointed out in *UK Channel Management Ltd v E! Entertainment Television Inc.* [2007] EWHC 2339 at [9] to [12], one must beware of witness gathering exercises which are founded on surveys of this kind, because evidence gathered in this way is likely to be tainted.

Threat

42. The present action is brought, in effect, as a *quia timet* action. Although the Qualtex prototype had been exhibited at The Cleaning Show, there is no real suggestion that what was done at the show was likely to amount to passing off. It was quite plain to all concerned that the prototype was a Qualtex product, and those who attended the Show would have known it was nothing to do with Numatic. So the action is one where Numatic must show that they were justified in commencing proceedings because Qualtex were threatening to do acts which would amount to passing off. Numatic recognise that their task is more difficult if the notional purchaser were a member of the cleaning trade: so they concentrate their case on potential sales to the public. Qualtex recognise that, although this was not their primary target market, some sales would inevitably be made to the public.
43. Qualtex’s case is that the machine as presented at the Cleaning Show was not only unbranded (as it was), but was also unfinished. They contend that the prototype machine was shown at the Show in order to gauge customer reaction, and that its overall appearance was to be the subject of further change in the light of their own and customers’ further ideas. Mr Hulme said that it was as part of this natural process of development that he got the idea of the further changes to the prototype’s appearance from seeing a Maytag machine at the show. He obtained a sample Maytag machine in April, and thereafter proposed and implemented the design changes.
44. I cannot accept this characterisation of what occurred. It is, I consider, established on the evidence that at the date of the Show, and thereafter until proceedings were commenced on 19th May, Qualtex were threatening and intending to launch a machine onto the market with substantially the appearance of the prototype. It was, after all, intended to be a replica of the NRV 200 Numatic machine. Qualtex had for long recognised, as Mr Hulme accepted, that there was a large market for a lookalike Henry: the prototype was a product which fitted that description and would appeal to that market. Exhibiting the prototype at the Cleaning Show was not merely an attempt to gauge customer reaction: it was a clear statement of Qualtex’s intention to market a replica NRV 200. The Show generated a large demand for the product which Qualtex

were keen to satisfy. The change to the Annex B design was not part of the natural development and improvement of the project: it was a radical change to it. The changes resulted, as Qualtex must have appreciated that they would, in a long delay to the production of the modified product. Thereafter it was frequently described in the documents as the “new” machine. The addition of the tool caddy and bumper required changes to the mould of the lid. Whilst I do not doubt Mr Hulme’s evidence that he had these ideas in the way he described, the decision to implement them came after the commencement of these proceedings, and not as part of a natural development of the product on show at the NEC. This conclusion is really the only one consistent with the correspondence, the contemporary record and the evidence of what occurred.

Did the threat continue?

45. Numatic complain that the undertaking offered in the Defence was confined specifically to the prototype machine. It was not phrased in the way that such undertakings are normally phrased to prevent colourable variations as well. And it was not offered to the Court. They contend that there was still a threat that Qualtex would market a machine with minor and immaterial variations.
46. The gist of the Defence was that there had been no threat to pass off, and that in future Qualtex would sell the Annex B machine and not the prototype.
47. In my judgment there was no longer a threat to sell the prototype or any colourable variation of it after the Defence was served. Qualtex’s overall position was that they had done nothing wrong, and that Numatic had jumped the gun by commencing proceedings. Hence no undertaking to the court, which could be regarded as an admission of liability, was offered. But it would be wholly inconsistent with the defence for Qualtex to revert to the prototype or something similar.
48. This finding may have an impact on whether it is necessary to grant an injunction if Numatic are successful in relation to the prototype shown at the Show. It may also potentially have an impact on who is to pay the costs of these proceedings. But I should make it clear that I am deciding neither of those points at this stage: they are best left to argument in the light of my judgment.

Passing Off

Reputation

49. There is no real dispute that Numatic have a protectable goodwill and reputation in the combination of features of the Henry vacuum cleaner: that is to say the name Henry coupled with the black bowler hat top, a brightly coloured base, the smiley face and the nose. One could readily reach the conclusion without much in the way of evidence that someone who marketed a replica product with all those features would, absent some exceptional additional circumstance, be guilty of passing off. Mr Hulme confirmed this point of view. He said, in effect, that his own investigations showed that the smiley face had a high degree of origin recognition.
50. The first plastic-moulded Henry to be sold with the features of get up relied on was marketed in 1981/2. The bowler hat aspect may have been inspired by a figure of the

Homepride flour man which was present in the workshop around the time. It was sold extensively for commercial cleaning: but a significant portion of the public will have come across it at work. About 12 years ago Numatic began receiving requests from large retail outlets to stock the Henry, as members of the public wanted such a cleaner for domestic use, having seen or used the product in the workplace. Now about half are sold in the commercial market and half in the retail market, but there is no clear division between the two markets. Mr Evans gave estimates that the Henry currently enjoys 50% of the total professional market for this type of product, and 3-5% of the much larger domestic market.

51. There is no doubt that Numatic have been successful in educating the public to recognise the Henry vacuum cleaner range as having the appearance of a small, rather rotund and cheeky chappie, with its smiling face, bowler hat and name. For example a newspaper article exhibited by Mr Evans says "*The Henrys look like small, squat, smiley-faced, bowler hatted blimp on casters*". This was deliberate. Mr Evans explained that the shape was decided on in order to say "Look at me: I'm a bowler-hatted gent!". The anthropomorphic character has been made use of extensively in advertisements, including Littlewoods' advertisements shown on ITV television during prime time.
52. Whilst the red base has the longest history, the public are now used to seeing different coloured bases, all with the black bowler hat top, some with the flange and some without.
53. The real question in the present case is not whether the use by Numatic of the get-up of the Henry has generated a sufficient reputation and goodwill to support a passing off action. The question is rather whether, given that reputation, the sale of the replica (which lacks the smiley face and name, but retains the shape and bowler hat) will make a damaging misrepresentation.

Misrepresentation and damage

54. I have decided that the machine which Qualtex were threatening to sell at the date of the commencement of proceedings was a machine to the design of the replica prototype, a photograph of which I have included above.
55. The machine was primarily designed for the commercial market, but it was priced in the range of ordinary domestic vacuum cleaners. The evidence showed that there was no clear division between the commercial and domestic markets. The owner of a large house, a pub-owner, builder or restaurateur would all be in the market for a commercial vacuum cleaner. Mr Hulme accepted that some machines would find their way into retailers. Retailers would not be concerned to restrict sales provided the machine was suitable for the contemplated end use.
56. There is little in the way of evidence as to how this machine would have arrived on the market and the channels through which it would have been sold. Numatic contend that it would have been displayed in shops and showrooms, out of its box. I think it reasonable to suppose that it would have been on sale in this way, at least in some retailers. I proceed on the basis that a member of the public purchasing the machine would at least in the normal course see the box at some stage before completing the purchase. Judging by the way in which the Annex B machine has been sold, it is also

likely that it would have appeared on internet sales sites. Some examples of these were in evidence.

57. Numatic submit that the machine would have appeared without any form of branding on the machine itself. They say that this is supported by the fact that the branding stickers were supplied loose in the box, and would not necessarily be applied for display purposes. The purchase of a Qualtex machine to the prototype design made by the claimants in Ireland had the labels loose in the box. I think it is likely that the machines would not have had branding applied to the machine before sale, but would have had the Quick Clean branding on the box. The machine which appeared on websites would have also done so without any branding being shown on the photographs. If a name were to be mentioned in the accompanying text it would be Quick Clean.
58. Numatic supported their case with a survey conducted under the supervision of Mr Malivoire of GfK NOP. Between 1st and 5th April 2009 GfK NOP interviewed 535 respondents aged over 18 across the country. Each interviewer was provided with a photograph of the Qualtex product, as photographed at the Cleaning Show, but with background materials removed. After some classification questions the interviewers were instructed to give the following preamble to the main questions:
- “I am going to ask you some questions about this product, some of which may seem a little repetitive”
59. The questions were:
- (1) What can you tell me about this product?
 - (2) Have you got one?
 - (3) Can you tell me what it is called?
 - (4) If you needed a new one, would you think of buying one of these vacuum cleaners?
 - (5) Why do you say that?
60. Mr Kelly, a market research expert called on behalf of Qualtex criticised these questions. He said that those with the most obvious weaknesses were Q2 and Q3. Nevertheless he considered that Q1, together with the immediately preceding preamble was misleading in referring to “this product”, thereby encouraging the respondent to think that they might well know something about this product or be in some way familiar with it. In his witness statement he said this:

“This is a circumstance with which we market researchers are familiar and which we seek to avoid. The reason we seek to avoid this is that it again forces the respondent to create their own context to the question, and makes it likely they will speculate. Most respondents will wish to make what they perceive to be helpful comments rather than say nothing. Moreover, the respondent is likely to give a different answer

from the one they would have given had they not been forced to create their own context, but been put properly in the picture by the interviewer. Thus, for example if the respondent is led to believe that the product is one they may have seen or which they may know something about, they are likely to jump to the conclusion that it is in fact a product they have seen and know something about."

61. I think this is a genuine defect from which almost all the questions in the survey suffered. What the respondents were likely to be thinking in response to the question is "what product does this most remind me of?". The results of the survey have to be considered with this in mind.
62. Mr Malivoire's analysis of the results was that of the 535 respondents interviewed, some 57.5% mentioned Henry at some point or gave an answer which obviously related to the Henry. His further analysis concluded that 48% clearly indicated that they believed the image was that of a Henry or to be from the same range as Henry.
63. Because of the detailed and more extensive criticism of Q2 and subsequent questions, I asked that a separate analysis be performed of the answers to Q1 alone. Numatic submitted that 89 respondents were people about whom there could be little argument that they thought the product in the picture was a Henry, and a further 23 could be added if one took a rather more generous approach to this category. A further 88 respondents are people who gave an answer such as "it looks like a Henry". Qualtex submitted that 83 respondents said it was a Henry, 88 respondents said it is like a Henry or looks like a Henry.
64. Viewed in this light, it is fair to say that these survey results are less emphatic than they might otherwise be thought to be. It has to be recalled that there is really no dispute in this action that the prototype looks like a Henry. It is therefore with the first category - those who think it is a Henry - with which one is primarily concerned. Moreover, the first survey question could not, even if completely unobjectionable, conclude the principal issue which I have to decide which is whether any member of the public would have bought the Qualtex replica believing it to be a Henry.
65. Mr Baldwin QC, who appeared for Qualtex, had numerous other criticisms of the survey as well. For example he pointed out that the stimulus in the form of the photograph of the machine gave no indication of size. Interviewers had disregarded instructions about prompting and probing. I have taken these criticisms into account, but even after doing so I think the survey provides enough evidence for me be confident that the shape and bowler hat form prompt a strong recognition of the Henry. Whether that recognition is sufficiently strong to conclude that purchasers will be misled is a separate question, and one on which I prefer to rely on the oral evidence of the witnesses called.
66. From the 535 respondents, Numatic served witness statements supported by a Civil Evidence Act Notice from some 25. Some were prepared to give oral evidence and were cross examined at the trial.
67. The witnesses who were called all agreed that they would take care over the purchase of a vacuum cleaner to make sure they were getting what they wanted. Most if not all

agreed that an NRV 200 with a yellow top, blue base and yellow/black square logo (Trial Bundle J1 page 3) would not be mistaken for a Henry. Most would notice the absence of branding on the Qualtex replica, and expect branding to be present when they made a purchase.

68. When it came to the crucial question of whether they would buy the Qualtex replica in the mistaken belief it was a Henry, their evidence can be summarised as follows:
69. Ms Lovett said that she would not have bought it because it did not have the smiley face.
70. Mr Keane said that he would know it was not a Henry because of the colour: but it could well be a Numatic industrial. He would certainly look to check that he was getting what he was paying for.
71. Ms Lockwood said that if there were no branding she would assume it was a Henry.
72. Dr Rooney said that if he saw the replica in a shop he would have thought it was a Henry. Although he said he would confirm the make and model before leaving the shop, I was not persuaded that this meant that he would have asked the right question to determine that the product was not a genuine Henry.
73. Mrs Moemken's questionnaire answers suggested that she would probably buy the prototype thinking it was a Henry. In cross-examination she said that she would *hope* that she would notice the absence of the smiley face and the name, and that she *thought* she would not get it to the cash register thinking it was a Henry. Her answers were typical of a number of witnesses who were reluctant to admit that they would make a mistake after being reminded of the care which they would normally take on making such a purchase. On the whole I felt that Mrs Moemken thought there was a risk that she could have bought it thinking it was a Henry.
74. Mr Marchant said he would probably ask a salesperson who made the product whether it was a new product in the Henry range.
75. Mr Chessor said that he would have noticed the absence of the face and name, but said that "Henry might have taken the smiley face off". It was put to him that he would have looked at the product information to see what the product really was, which he agreed. But this of course does not mean that he would establish that it was not made by manufacturers of Henry.
76. Mr Dorricott said that he had identified the product in the photograph because it looked like a Henry. However (as a Henry owner) he would be looking to replace it with what he knew and he said that "I do not know that" - meaning the prototype - "from Adam to Eve".
77. Mrs Kelly said that if she was in the shop she would notice that the product did not have the smiley face or the name, and that this would make her question that it was not a real Henry: as a cautious purchaser she would make sure she got a Numatic Henry.

78. Miss Terry was shown some photographs of other tub vacuum cleaners which she considered “totally different”. She said she “probably would” check to see whether the Qualtex product was actually made by the people who made Henry. She would notice it did not have the name and smiley face. Oddly, when questioned about her responses to the interview she said that she had thought it was a Henry in the interview because of the smiley face.
79. Mr Bloch, who appeared for Numatic, attacked this evidence as having been obtained by a series of leading questions. By way of illustration he put to Mr Kelly a questionnaire made up of some of the leading questions asked of the interviewees in cross-examination and asked for a critique of that. Not surprisingly, Mr Kelly condemned it. Nevertheless, the cross-examination of the interviewees did enable me to form an assessment of the robustness of their views expressed in answer to the survey, when it came to a real purchasing situation. If I were to disregard the cross-examination, Numatic would have no real support for their contention that real purchasers would be deceived.
80. The reaction of the interviewees to the yellow/blue NRV 200 cleaner at J1/3 has to be considered in the light of the fact that it does not have the black lid which is an important feature of the get-up taken by Qualtex. By the time one gets to the J1/3 cleaner one has taken away the name, the smiley face and the bowler hat. What it does show is that the features of shape alone are probably not sufficient to cause confusion provided that there is some really striking get-up to take out of the norm of what would be expected for a Henry. This, of course, is not the case in relation to the Qualtex replica.
81. In the end I felt that the evidence of the members of the public provided support for the view that there would be origin confusion if the Qualtex replica was sold in the way in which Qualtex threatened, even taking into account the way in which their evidence had first been obtained. The overall impression given by the evidence was that the replica prototype did convey quite a strong message that it was a genuine Henry, and that there was a real likelihood that at least some members of the public would buy it thinking it was a Henry. I have to say that this evidence confirms my own impression, for reasons which I explain below.
82. First of all, I am satisfied that this is not a case like the cushion case (*Hodgkinson & Corby v Wards Mobility*) where it is simply the shape of a functional article which is relied on. As both sides recognise, the Henry vacuum cleaner is seen by the public as having the appearance of a small person. To that extent, the shape has a secondary meaning.
83. Secondly, I do not find it at all implausible to suppose that members of the public will still recognise the product even if one or more of the elements which give it that character are removed, provided enough remains to convey the same message. The public are perfectly capable of recognising a Henry without the smiley face, although I accept that their degree of confidence may be rather less than if the smiley face and name were there.
84. It is true that, in creating this recognition, Numatic have used a combination of the overall shape, the shiny bowler hat, the name and the smiley face. As I have said, the presence of all these features undoubtedly conveys the message that the product is a

genuine Henry. But this does not mean that it necessarily follows that the absence of one or more of these features is sufficient to distinguish a replica product from the original. The answers in relation to JI/3 show that if there is no smiley face, no name and no black bowler hat confusion may be avoided. But the position need not be the same with the Qualtex replica, which retains in addition the shiny black bowler hat, which was established to be a well recognised feature of the get-up.

85. I do not accept that the omission of the face and the name was sufficient to avoid passing off: in my judgment not all sensible purchasers would be put on enquiry by their absence. The public have been educated to recognise the overall shape combined with the black bowler hat as indicia of a genuine Henry. Once consumers think they recognise a product they do not necessarily conduct an analysis of all the reasons which have led them to that belief. They first have to pause sufficiently to notice the absence of the face and name. Like some of the witnesses, they may think that they have been taken off to give the Henry a more serious professional look.
86. It will be recalled that Qualtex indicated that they would use branding sufficient to avoid confusion, both in the correspondence and in the email sent on the eve of the Show. In the end this turned out to be the name “Quick Clean Equipment”. I do not think that this branding would be adequate to avert the risk of confusion for a number of reasons. Firstly, a significant proportion of members of the public have not heard of Numatic and do not know that is Numatic who manufacture the Henry. Mr George Hulme said so in terms in a letter written to Numatic around the time of the Show. It follows that a different brand name will not alert members of the public to the fact that the product is not a genuine Henry. Secondly, the Quick Clean name is not one to which any reputation or goodwill attaches, as Mr Philip Hulme accepted: so it conveys no message itself about a different origin. Thirdly the name Quick Clean is a highly descriptive one. Fourthly, as I have indicated above, the product is likely to be displayed in some retailers without branding. All this falls far short of the “serious and effective steps” to avoid passing off promised by Mr Hulme, or the “active steps ... to positively distinguish” foreshadowed by the correspondence.
87. Although I accept that a moderate amount of care will be exercised by purchasers in the course of buying a vacuum cleaner, there will clearly be a spectrum of carefulness of purchaser ranging from the meticulous to the hurried and distressed. Insofar as that required any evidence, it was supplied by witnesses from the trade. This again makes the case significantly different from the cushions case, *Hodgkinson & Corby v Wards Mobility*, where the evidence showed that professionals would be involved in purchasing.
88. Moreover, it is not clear that careful enquiry will necessarily ensure that the purchaser does not get the wrong product. The witnesses agreed with the proposition that one would check that what one was getting was what one was paying for, but it was not always properly explored with them what questions they would be led to ask. Thus they might ask who the manufacturer was. But the public are not in general aware of the identity of the manufacturer of the Henry, and will equally never have heard of Quick Clean Equipment. They would have to ask whether it was made by the same people as made the Henry before any passing off confusion could be avoided. I am not persuaded that all members of the public who otherwise took the prototype to be a Henry, would ask that question.

89. Numatic also relied on two other ways in which the sale of the prototype might cause damage. One was based on the suggestion that someone seeing a broken down Qualtex replica might attribute its failure to the makers of Henry, with consequent injury to goodwill. The other is that Henry spare parts might be ordered for the replica. I see no need to place reliance on either of these, although they provide a makeweight for the conclusion I have reached. The own-branded Qualtex replica would be indistinguishable from a genuine own branded NRV 200, so it is likely that some damage would occur in this way as well.
90. In the result the *quia timet* passing off action succeeds. I will hear counsel on the appropriate orders in the light of this judgment.