



Neutral Citation Number: [2019] EWHC 1688 (Ch)

Case No: IL-2019-000046

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INTELLECTUAL PROPERTY LIST (ChD)
INTELLECTUAL PROPERTY
SHORTER TRIALS SCHEME

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 2 July 2019

Before :

MS. PAT TREACY
(SITTING AS A DEPUTY JUDGE OF THE HIGH COURT)

Between :

(1) PLANET ART LLC (INCORPORATED UNDER THE LAWS OF DELAWARE, USA)	<u>Claimants</u>
(2) PLANETART LIMITED	
- and -	
(1) PHOTOBX LIMITED	<u>Defendants</u>
(2) PHOTOBX FREE PRINTS LIMITED	

DOUGLAS CAMPBELL QC (instructed by Taylor Wessing LLP) for the Claimants
TOM ALKIN (instructed by Jensen & Son) for the Defendants

Hearing dates: 20 and 23 May 2019, telephone hearing 4 June 2019.

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.

.....
DEPUTY JUDGE TREACY

DEPUTY JUDGE TREACY:

Overview of dispute

1. This matter relates to an application for an interim injunction to restrain the Defendants' use of the words 'FREE PRINTS' (particularly, but not only, as 'Free Prints') in connection with their business supplying free photo prints. The cause of action is passing off. The Defendants resist the application and have offered undertakings to trial in lieu of injunction.
2. At trial, the issue of whether the Defendants have committed the tort of passing off will be assessed as of the date the Defendants started the activities complained of. In contrast, the decision to grant, or otherwise, the interim relief applied for must also take into account the Defendants' proposed undertakings.

Procedural history

3. The application was served on the Defendants on 29 April 2019. It was listed to be heard on 3 May 2019 with an estimate of two hours. Birss J ordered that the substantive hearing be adjourned to an expedited return date to enable the Defendants to prepare and serve evidence. The Defendants gave undertakings in the interim which included making changes to the ways in which they used the words 'FREE PRINTS'.
4. The action was commenced under the shorter trials scheme but the only procedural steps taken so far relate to the application for interim injunctive relief. Counsel submitted that in the normal course it would be expected that the trial would take place in May 2020.
5. The hearing took place in the afternoon of 20 May 2019. At the conclusion of the hearing I indicated that, given the nature of the application, I proposed to give judgment as soon as I could and to provide my detailed reasoning in writing to the parties in due course. The adjourned judgment hearing took place on 23 May 2019. During the course of that hearing, as explained further below, it became apparent that there was some confusion as to the scope of the undertakings the Defendants were willing to offer pending final trial, to avoid the possibility of an interim injunction.

This required further written submissions by the parties and a subsequent brief telephone hearing on 4 June 2019.

Factual background

6. The First Claimant is a US company together with its wholly owned UK subsidiary, the Second Claimant, referred to jointly as the Claimants. The First and Second Defendants are UK companies with a common director, shared registered office address, and a common parent, and the First Defendant owns all the share capital of the Second Defendant, referred to jointly as the Defendants.
7. Both parties are active in the field of online printing services, particularly for photographs. Both parties use dedicated Apps to sell their respective printing services which include products such as photobooks and so on.

PlanetArt

8. The Claimants launched in the UK in January 2014. They offer their services exclusively via mobile applications for iPhone and Android. Their main app is called 'FREEPRINTS' ("the FREEPRINTS App").
9. On the Apple App Store, the headline listing for the FREEPRINTS App looks like this:



10. On their webpage, inside the App itself and in other promotional material, the Claimants predominantly use the following version of the 'FREEPRINTS' name in colour and black or white:

FreePrints™

Photobox

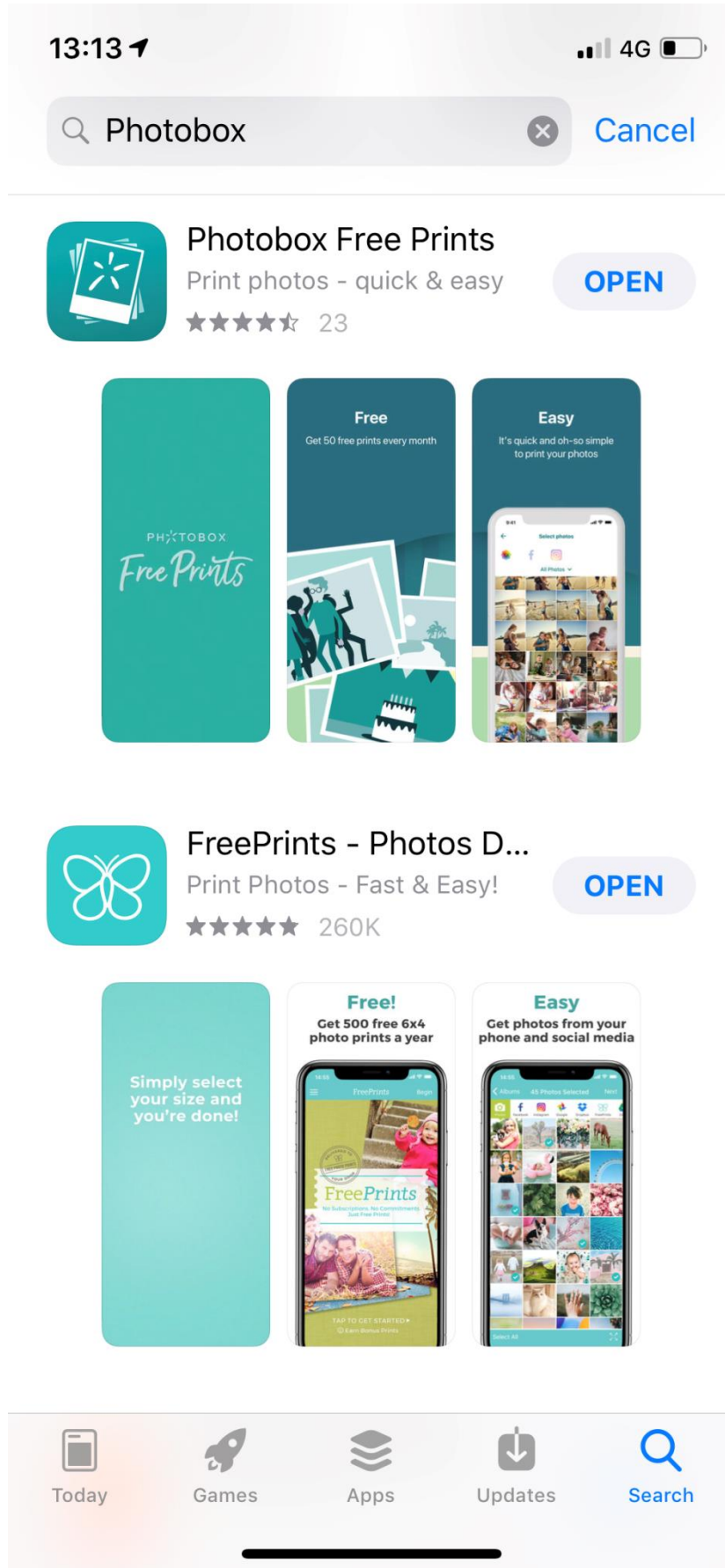
11. The First Defendant trades as PHOTOBOX, including by use of the following logo:



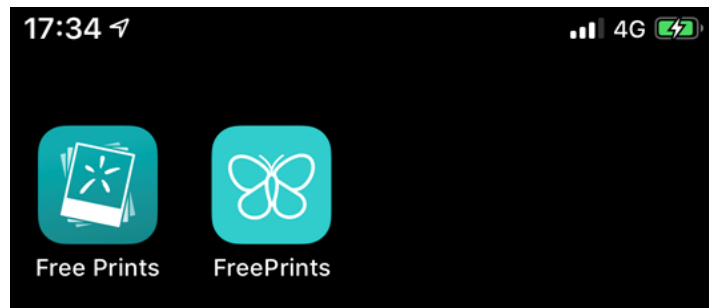
12. For many years the First Defendant has offered its customers free prints as an inducement for the customer to open an account with it and upload photographs for printing via the Photobox website or App. Once the customer had done so, he or she was more likely to make use of the First Defendant's paid products and services.

The PHOTOBOX FREE PRINTS App

13. In late 2017/early 2018, with online free print offers increasingly undermining its paid-for prints business (including repeat use of its own introductory offers), the First Defendant decided to replace its introductory free prints offers with a dedicated mobile app offering a monthly allowance of free prints. Use of the app automatically creates a Photobox account.
14. The First Defendant decided to call its dedicated free prints app 'PHOTOBOX FREE PRINTS' ("the PHOTOBOX FREE PRINTS App"). The PHOTOBOX FREE PRINTS App was submitted to the Apple App Store for approval in October 2018. Apple objected to the name on the grounds of a policy that app names should not include price information. For this reason, the App launched initially with the name 'PRINTLY' on 14 March 2019. Apple subsequently dropped its objection to the original name, allowing Photobox to change the App's name back to PHOTOBOX FREE PRINTS on 1 April 2019.
15. At the date of the claim, the listing for the Apps of the Claimants and Defendants on the Apple App Store looked like this:



and after the user had downloaded them, the Apps appeared on the user's phone like this.



16. The Claimants use the elided word 'FREEPRINTS' to identify their App as can be seen from the diagram at paragraph 15 above.
17. On each page of the Claimants' website, in the App itself and on the App Store (see B2/3 and 4), that elided word is used in various formats, e.g.:

FreePrints™ FreePrints FreePrints

18. The phrase 'FREE PRINTS' is also used in a descriptive sense, e.g.

No subscriptions. No commitments.
Just free prints!

How many free prints can I order?

I have no free prints remaining, when do I get more?

I didn't use all of my free prints this month, do they roll over to next month?

19. The interim injunction sought by the Claimants would prohibit the Defendants from continuing to use FREE PRINTS or PHOTOBX FREE PRINTS for their online photo printing services, subject to a proviso described by Mr. Campbell for the Claimants as "*permitting genuinely descriptive use of the phrase 'FREE PRINTS'.*" The injunction sought also requires the Defendants to amend the App on the Apple App Store and to take all reasonable endeavours to delete the marks FREE PRINTS or PHOTOBX FREE PRINTS from their social media accounts. The operative part of the injunction sought reads as follows:

“a. *Offering any online photo printing services, or carrying on any business in respect thereof, under or by reference to:*

(i) the mark “PHOTOBOX FREE PRINTS”, or

(ii) any mark incorporating the words “FREE PRINTS” or a word or words colourably similar thereto (including, without limitation, the words “FREE PRINT”)

provided that it shall not be a breach of this Order to use the phrase “FREE PRINTS” where each of the following requirements is satisfied, that is to say such use (1) is made in good faith (2) is made solely as a description of photo prints for which no charge is made; (3) both words, as used separately with a space between them, and with all letters either being in lower case or in upper case; and (4) would not be taken by consumers as indicating trade source.

b. Authorising, causing, assisting or enabling others to carry out any of the aforesaid acts.”

20. During the hearing it was confirmed by Mr. Campbell on behalf of the Claimants that the form of injunction attached to the original draft order was that sought by the Claimants. The order sought by the Claimants was criticised by the Defendants as being imprecise and uncertain.

21. Before the initial hearing on 3 May before Birss J the Defendants offered a series of undertakings. Those undertakings were annexed to the Order made by Birss J. The text is set out below:

“Neither our clients nor anyone over whom they have control will do the following:

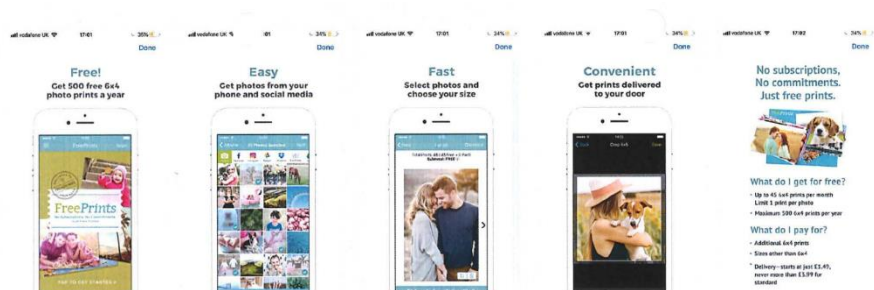
1. Launch their Free Prints App for Android Users (including not making it available on Google Play);

2. *Add any further references to the Free Prints App on the websites at www.photobox.co.uk or www.photobox.com or any other website over which our clients have control;*
3. *Promote or Market the Free Prints App other than by its presence on the App Store or at <https://itunes.apple.com/gb/app/photobox-free-prints/id1378603854?mt=8> and, in particular, by publishing or sending out any other marketing or advertising communications or materials (in any format) that promote the Free Prints App, including (without limitation) Instagram posts, Twitter feeds and LinkedIn and Facebook posts that make any reference to the Free Prints App;*
4. *Increase the functionality of the Free Prints App so that it links to users' social media accounts (including without limitation, Instagram & Facebook Accounts) with the printing service;*
5. *Make any substantive change to the design, wording or branding of the Free Prints App or on the App Store without notifying you in writing of such change.*

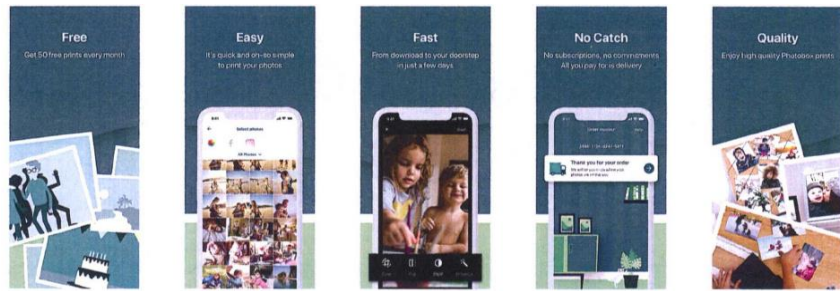
Our clients will do the following:

6. *Submit to the Apple App store as soon as reasonably practicable revised artwork and text for the Free Prints App as shown on the attached sheet”*
22. As a consequence of those undertakings, at the date of the hearing on 20 May, the presentation of the FREE PRINTS App and of the PHOTOBX FREE PRINTS App were as shown below.

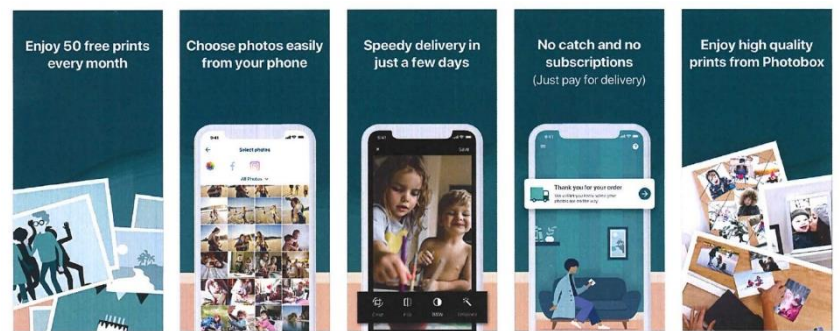
FreePrints



Photobox Free Prints
Original App Store version



Photobox Free Prints
Updated version



23. The top line shows the FREEPRINTS App, the middle line shows the version of the PHOTOBX FREE PRINTS App before the implementation of the changes required by the undertakings of 3 May and the third shows the PHOTOBX FREE PRINTS App as at 20 May. The changes made included changes to the overall look of the Defendants' App, including as to the use of certain phrases and promotional text.

24. During the hearing on 20 May, I had a brief exchange about the undertakings with Mr. Alkin. This is recorded in the evidence of Ms. Anderson, served by the Claimants:

“a) Judge: This is their presentation going forwards. No reversion to the old one?

Mr Alkin: [We are] content with the undertakings continuing to trial”

25. At the adjourned judgment hearing on 23 May 2019 I mentioned that various issues had been clarified during the hearing on 20 May including that: “... the defendant has made changes to its app as set out in the schedule to the order of Birss J and is willing to maintain those changes until any final trial of this matter...” I also briefly mentioned the following issues as relevant to the conclusion I had reached, indicating that detailed reasons would follow:

- the relevant principles in *American Cyanimid*;
 - the parties' arguments about the application of those principles and the balance of convenience,
 - the nature of the substantive case being argued including the relative merits of the parties' cases as they appear at this stage, and on the limited evidence available; and
 - the purpose of interim remedies, including the need for a judge dealing with an interim application to be cautious about reaching conclusions on fact-sensitive merits issues.
26. I concluded that the Claimants' Application was refused, that the trial should be expedited and that "*The Defendants' Undertakings to Birss J are to be maintained pending trial*".
27. It was then pointed out that the Defendants had given various undertakings, some of which went beyond the appearance of the App (particularly undertakings 2 and 3 recited at paragraph 21 above).
28. Mr. Alkin submitted that he had not intended to make any commitment on behalf of the Defendants, and had no instructions, as to the continuation of undertakings other than those relating to the appearance of the App. Mr. Campbell objected that Mr. Alkin's oral statement was clear and could not be retracted.
29. As there had been no submissions as to whether all aspects of the undertakings originally given for the period between the initial hearing and the return date were appropriate in the context of a somewhat longer delay between the return date and any eventual trial date, I decided to adjourn the judgment hearing to a later date to consider submissions on the undertakings given, or to be given, by the Defendants, and their impact on the balance of convenience and the status quo, including maintaining an appropriate balance between the interests of the parties pending trial.
30. The Defendants have now proposed undertakings to trial which are less expansive than those originally given to Birss J, but which go beyond a simple undertaking to maintain the appearance of the App. Both parties made further written submissions

on the implications of these undertakings and a short telephone hearing for brief oral argument took place on 4 June 2019.

Assessment

31. It is now necessary to consider two issues. First, is it open to the Defendants to offer undertakings to trial that are less expansive than those originally offered to Birss J, and arguably continued orally by Mr. Alkin during his submissions; and secondly, whatever the undertakings offered, what is the appropriate course in dealing with the Claimants' application for interim relief pending trial.

Undertakings to trial

32. The Claimants argued that, as the Defendants' Undertakings had been orally continued until trial, it was not permissible for the Defendants to be released from those Undertakings, absent a significant change of circumstance. It was submitted that *Zipher v Markem* [2009] EWCA Civ 44 was not of assistance to the Defendants as the underlying Undertakings in this case were written, rather than oral as in *Zipher v Markem*.
33. It was also submitted that an order had been made continuing the Defendants' Undertakings and that it was not a suitable case for the court to exercise the Barrell jurisdiction as (applying *In Re L (Children) (Preliminary Finding: Power to Reverse)* [2013] UKSC 8; [2013] 1 W.L.R. 634 SC) there had not been a plain mistake on the part of the Court and, insofar as the parties had failed to draw the Court's attention to a plainly relevant fact or point of law, this was the fault of the Defendants.
34. It was argued on behalf of the Defendants that taking into account the context, the oral reference to the continuation of the Defendants' Undertakings was clearly to the undertakings as to the appearance of the Defendants' App in the App store. Mr. Alkin referred to paragraphs 19, 23 and 24 of *Zipher v Markem* and the need for clarity when dealing with undertakings, because of their serious nature and the consequences of breach. He relied particularly on paragraph 24 of the judgment of Lord Neuberger (sitting as a judge of the Court of Appeal) but I set out all the key passages below for convenience:

“19. *An undertaking is a very serious matter with potentially very serious consequences. It is a solemn promise to the court, breach of which can lead to imprisonment or a heavy fine. Accordingly, there should never be room for argument as to whether or not an undertaking has been given. Further, while there is inevitably sometimes room for argument as to the interpretation of an undertaking, the circumstances in which such arguments can be raised should be kept to a minimum. Accordingly, any undertaking should be expressed in full and clear terms and should also be recorded in writing.*

[...]

23. *In this case, the undertaking is said to have been given orally, and was never committed to writing (save that the variation to the patent which would have resulted from the alleged undertaking was written down and handed to the court). The argument as to whether an undertaking was given, and what its terms were, has therefore centred on the transcript of what was said at the hearing. Quite apart from the self-evident undesirability of courts having to trawl through transcripts of earlier hearings to consider whether any binding commitments were made on behalf of any party, and, if so, the meaning and extent of any commitment, there are, I think, four points of principle to bear in mind when considering transcripts in such circumstances.*

24. *First, all the relevant passages must be read together and, of course, in their overall context. Secondly, one should be wary of indulging in what Lord Diplock characterised as "detailed semantic analysis" of the words revealed by the transcript: if such analysis can be inappropriate in relation to formal written contracts, it must be a fortiori when it comes to oral exchanges in court. Thirdly, if there is real doubt as to the meaning or effect of what was said, it should, as mentioned, be resolved in favour of the person who would be bound. Fourthly, it is permissible to have regard to what was said and done after the undertaking is said to have been given, in order to assist in resolving whether it was, and, if so, what its terms were – see per Lord*

Hoffmann in Carmichael v National Power Plc [1999] 1 WLR 2042, 2048E -2051C.”

35. On this issue, having regard to the guidance given by Lord Neuberger, the submissions of the Defendants are preferred.
36. While the undertakings given to Birss J were in writing, the continuation was oral so even if the approach in *Zipher v Markem* were limited only to oral undertakings, which I doubt, it supports the Defendants’ argument. It is clear that some confusion has arisen from the oral comments of Mr. Alkin.
37. Looking at the context in which those comments were made, I take various matters into account. First, the evidence of Ms. Anderson, served by the Claimants, which was not disputed, reads as follows:
- “a) *Judge: This is their presentation going forwards. No reversion to the old one?*
- Mr Alkin: [We are] content with the undertakings continuing to trial”*
38. In addition, my own preparatory note before my comments in Court on 23 May reads as follows:
- “During the course of the hearing before me various issues were clarified by counsel. First, that the defendant has made changes to its app as set out in the schedule to the order of Birss J and is willing to maintain those changes until any final trial of this matter...”* (Emphasis added)
39. Finally, immediately after I had given judgment, as set out at paragraph 26 above, Mr. Alkin sought confirmation that the Court had had in mind the Defendants’ undertakings in relation to the appearance of the App Store listing, and I confirmed that was the case. The context therefore suggests strongly that the undertakings which the Defendants intended to continue and those which the Court understood it to have continued related to the appearance of the App and not to the remaining undertakings.
40. Against that background, an order simply requiring all undertakings to be continued was incorrect, as was arguably clear from at least the exchange with Mr. Alkin during

the hearing quoted at paragraph [37] above. Indeed the possibility of some lack of clarity or possible misapprehension by the Court may have been apparent to the Claimants immediately after the initial hearing, as their solicitors wrote to the Defendants' representatives on 20 May to:

“record that your clients, via their counsel, confirmed in open court today that your clients' existing undertakings to the Court as set out in the Order of Mr Justice Birss dated 3 May 2019 are now extended unconditionally and unilaterally so as to continue until trial.”

41. Neither party drew attention to the need to consider the impact of all the undertakings, although the possibility that not clarifying the situation might lead to confusion on the part of the Court should have been apparent to both parties by, at the latest, the evening of 20 May. These are appropriate circumstances to reconsider the original order.
42. Amended undertakings have now been offered by the Defendants in lieu of an injunction in the period leading to trial. Those undertakings are recorded in writing in a letter from the Defendants' representative to the Claimants' solicitors dated 24 May 2019. The text reads as follows:

“We refer to the above matter and should like to confirm that our client is willing to provide the following undertakings pending an expedited trial:

Neither our clients nor anyone over whom they have control (“Photobox”) will do the following:

1. *Launch their Free Prints App for Android Users (including not making it available on Google Play);*
2. *Add any further references to the Free Prints App on the websites at www.photobox.co.uk or www.photobox.com or any other website over which our clients have control, save for a reference on the 'home' page, the 'prints' page, the 'my account' page (which is only for logged in members) of the aforesaid websites, mobile site banners and SEO landing page.*

3. *Promote or Market the Free Prints App other than by (i) its presence on the App Store at <https://itunes.apple.com/gb/app/photobox-free-prints/id1378603854?mt=8> (ii) by sponsored search results on the App Store (save that Photobox will not bid on the terms 'FreePrints', 'freeprints' or 'FREEPRINTS') (iii) sending promotional emails to existing Photobox customers who have consented to receive e-mails from Photobox (iv) by means of sponsored social media posts and (v) by means of paid search engine listings (save that Photobox will not bid on the terms 'FreePrints', 'freeprints' or 'FREEPRINTS').*
4. *Increase the functionality of the Free Prints App so that it directly links from within the App to users' social media accounts (including without limitation, Instagram & Facebook Accounts);*
5. *Make any substantive change to the design, wording or branding of the Free Prints App or on the App Store without notifying you in writing of such change.*

In relation to undertaking 2, the only change is to allow reference to the App in a very limited number of places on our client's websites

In relation to undertaking 3, please see the attached witness statement of Mark Singleton.

In relation to Undertaking 4, the wording has been amended for the sake of clarity in light of functionality that has existed within the App since launch."

43. The way in which the undertakings now offered by the Defendants differ from those offered to Birss J was helpfully set out in the third witness statement of Mr. Bloxberg on behalf of the Claimants. Only two of the Defendants' originally proposed undertakings will differ in essence in the period before ultimate trial from those originally offered.
44. Neither of the revised undertakings goes to the appearance of the Defendants' App and therefore to the likelihood of deception. Both are intended to restrain the Defendants' ability to market their App. Mr. Bloxberg's evidence states that the

extent of marketing that will be permitted will significantly increase the potential damage to be suffered by the Claimants. That evidence, and the Claimants' submissions about the undertakings focus significantly on whether the undertakings are 'concessions' by the Defendants and whether the relaxation envisaged will permit the Defendants to make commercial gains.

45. The Defendants submitted that the tenor of the evidence submitted by the Claimants on the revised evidence was that as long as the Claimants had crossed the threshold of 'serious question' they ought to be entitled to restrain on an interim basis any act by the Defendants that might cause them harm. It was strongly put to me that the law did not support the grant of an injunction on that basis or the need for an undertaking to prevent damage not caused by any arguable deception.
46. Witness evidence by the Defendants' marketing manager Mr. Singleton was served on behalf of the Defendants. That evidence states that any effect of the change to the undertakings on the business of the Claimants will be limited because the Defendants will maintain the changes to the App made in early May 2019 until trial and the marketing permitted will be limited so as to maintain some of the incumbent advantages which the Claimants currently have. Mr. Singleton provided some examples of the types of marketing efforts to be made within the scope of the revised undertakings.
47. The scope of the revised undertakings was criticised by the Claimants as being insufficiently clear in relation to the sort of marketing permitted to be carried out. In reply the Defendants' Counsel pointed out that:

"13. At present, the Photobox Free Prints app only appears in the first 6 or 7 App Store search results for users who specifically search for 'Photobox' or 'Photobox Free Prints' – see B2/31. On Mr Bloxberg's evidence, it appears in 33th position on searches for 'Free prints' (see exhibit RSB20)¹. Accordingly, if the Defendants were to undertake not to market the app at all during pending trial, the name of the app becomes of limited importance. If Photobox are not able to tell the public about the app, it will be (as Mr Singleton puts it) 'essentially invisible'.

14. *In those circumstances, the Defendants' proposed undertakings represent a sensible compromise pending an expedited trial. In particular:*

(1) *They prevent all 'above the line' advertising, i.e. mass advertising via broadcast and print media.*

(2) *They allow the Defendants to tell the public about the app exists via certain online channels only.*

(3) *They prevent Photobox launching the app on Android phones or extending its functionality to link directly with social media accounts."*

48. He further referred to the evidence of Mr. Singleton and the exhibit to that evidence, submitting that the marketing messages envisaged by Photobox as complying with the undertaking would have "*substantially the same context as the App Store listing itself*".

Should the injunction sought be granted or undertakings accepted?

49. In considering the substantive issue of whether accepting undertakings in lieu of an interim injunction pending trial is appropriate, it is the revised undertakings offered by the Defendants on 24 May 2019 to which I have regard. Importantly, the changes to the App made originally in early May will remain in place as confirmed by Mr. Alkin during the telephone hearing on 4 June. To the extent that there is any merit in the Claimants' submissions about lack of precision, it seems to me that this could be dealt with by annexing the examples submitted by the Defendants to any final order and incorporating the clarification made by Mr. Alkin above.

50. The important considerations on this issue remain the same as those that were relevant at the original hearing on 20 May, in brief: that there is no right to an interim injunction as it is a remedy to be granted at the Court's discretion; but that in exercising that discretion (once the court has determined that there is a serious case to answer) the core issue is whether the balance of convenience is in favour of granting or refusing the application for injunctive relief, and an important consideration in that

balance is the justice to, and effect on, both parties of granting or refusing the injunction.

51. Having considered the undertakings now offered by the Defendants pending trial, the views I originally expressed on the balance of convenience and the application of the *American Cyanamid* principles and as to the appropriateness of granting an interim injunction pending trial have not changed.
52. In summary, I conclude that it will be very difficult for either party to fully quantify the damage it has suffered and, in that sense, damages are unlikely to be an adequate remedy for either party. However, quantification of damage suffered and for which the other party may ultimately be liable is likely to be less difficult in the case of the Claimants than in the case of the Defendants, not least because of the longer trading history of the Claimants which will give a better basis for any extrapolation of likely trade and thus quantification. In reaching this conclusion I also have some regard to the overall likelihood of damage arising from actionable deception and to the likely quantum of such damage (if any). The changes to the Defendants' App as originally made following the undertaking given to Birss J and to be continued and maintained under the undertakings now offered to the Court reduce the prospects of significant damage being suffered by the Claimants.
53. I briefly expand on my reasons below, but it is convenient now to set out the submissions of the parties on the substantive issues and on the question of injunctive relief.

The positions of the parties

54. The Claimants' pleaded case on substance is that:
 - The Claimants have goodwill attaching to the sign 'FREEPRINTS' when used in relation to online printing services in the United Kingdom.¹
 - The Defendants' offer of online printing services by reference to the sign 'FREE PRINTS', in particular via the PHOTOBX FREE PRINTS app, is calculated to deceive members of the public into believing that the

¹ Particulars of Claim §§4 and 5.

Defendants' online printing services and App are those of the Claimants or are connected with or authorised by the Claimants.²

- that deception has and will cause damage to the Claimants' goodwill.

55. On relief, the Claimants argue that:

- there is a serious issue to be tried;
- they have generated substantial goodwill as a result of extensive use of the sign 'FREEPRINTS' and the related get up;
- the side-by-side comparisons exhibited show much more than a mere possibility of misrepresentation and deception amongst members of the public;
- damage will be suffered;
- damages are not an adequate remedy for the Claimants: essentially because of difficulties in calculating damage to the Claimants' goodwill after trial; that many customers will have been lost by the time of trial, along with their future business; that the Claimants' investment will end up benefitting the Defendants; and that the Defendants' App/Service will have a negative impact on the public perception of the Claimants' FREEPRINTS brand.

56. The Claimants argue that in the light of the above interim relief is appropriate.

57. The Defendants' position on substance is that there is no serious issue to be tried. 'FREE PRINTS' is descriptive. The Claimants do not enjoy a monopoly over such descriptive use. The Defendants' use is accompanied by trade origin specific distinguishers that preclude deception.

58. The Defendants' position on relief is that:

- (1) if there is a serious issue to be tried, the merits are weak. The order sought would cause serious unquantifiable harm to the Defendants. If the order is

² Particulars of Claim §10.

refused, the Claimants will suffer a lesser order of harm. The balance of convenience favours the Defendants;

(2) the order sought by the Claimants is in any event imprecise and uncertain.

59. The Defendants do not dispute that the Claimants own a valuable goodwill, in the sense of enjoying a connection with a substantial customer base. However they do dispute that there is any serious case that use of the phrase 'FREE PRINTS' is capable of damaging that goodwill. The Defendants submit that this is not a case in which interim relief is appropriate in any event, and even more so in the light of the undertakings in lieu offered by the Defendants until any final conclusion after trial.

Issues

60. I was directed by Counsel to the relevant parts of the White Book dealing with interim relief and in particular to those in Part A Section 15 Volume 2 at pages 2938 – 2939.

61. Mr. Campbell for the Claimants addressed me helpfully on the application of the general principles in the *American Cyanamid* case and, in common with Mr. Alkin, also spent some time both in his skeleton and orally in addressing the constituent elements of the tort of passing off.

62. Mr. Alkin for the Defendants submitted that the test for interim injunctive relief in the particular context of passing off cases requires the Court to have regard to the merits of the case. The commentary at paragraph 15–4 7.2 of the White Book notes that, while there is no particular special rule for passing off, nevertheless in appropriate circumstances there may be scope to consider the merits of the case while applying the normal principles relating to interim injunctive relief.

63. In the light of the submissions of Counsel, the constituent requirements of the *American Cyanamid* test and the critical aspects of the tort of passing off are discussed below.

Injunctive relief – principles

64. The principles governing the grant of interim injunctive relief are explained in *American Cyanamid v Ethicon* [1975] AC 396 and subsequent cases. The broad principles can be summarised as follows:

- (1) There is no rule of law that the court may consider the balance of convenience only if satisfied that the claimant has made out a prima facie case, but the Court must satisfy itself that there is a serious question to be tried.
- (2) Applications should be decided primarily on the balance of convenience.
- (3) An interim injunction should be refused if damages would adequately compensate the claimant (and the defendant will be able to pay).
- (4) An interim injunction should be granted if the claimant's cross-undertaking in damages would adequately compensate the defendant (and the claimant would be able to pay).
- (5) If damages would not fully compensate either party, the balance of convenience decides the issue.
- (6) If the balance of convenience favours neither party, the relative strengths of the parties' respective cases on the merits may be taken into account, if one case is disproportionately stronger.
- (7) If other factors are finely balanced, the Court should maintain the status quo.

Passing off – principles

65. To establish the tort of passing-off requires a misrepresentation causing damage to the business or goodwill of the claimant. The three elements: goodwill or reputation; misrepresentation leading to deception; and damage to goodwill resulting from the misrepresentation, are interrelated. The strength or weakness of any element may affect the strength or weakness of the others. In *Jif Lemon (Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL; [1990] RPC 341, HL), Lord Oliver observed that the Claimant:

“... 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.”

66. The three core elements of the tort of passing off are therefore:

Goodwill

67. The classic definition of goodwill is that given by Lord Macnaghten in *Inland Revenue Commissioners v Muller & Co’s Margarine* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation, and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has power of attraction sufficient to bring customers home to the source from which it emanates.”

68. In other words, goodwill must emanate from a distinguishing factor or factors, related to a particular business, which is valuable because it has the ability to attract customers to that business, being both recognisable and connected to that business.

Misrepresentation

69. It is trite law that the action for passing-off does not confer monopoly rights; that there is no property in a name as such. The use of a particular mark is actionable only if in all the circumstances of the case it is calculated to mislead. One business may use a name, mark or get up used by another as long as it is able to distinguish its own business, or if there is no need to take active steps to distinguish it in the first place (see below). As Nourse LJ put it in *County Sound plc v Ocean Sound Ltd* [1991] FSR 367:

“... a mere copying, however deliberate and however provocative, of the name or style which another trader has used for his goods or services is not enough to found an action in passing off” (at page 367)

“... before it is actionable, confusion has to be such as is caused by a misrepresentation by the defendant that his goods or services are the goods or services of the plaintiff.” (at page 376)

70. Unlike the position in some other jurisdictions, the tort of passing-off is not an action for general misappropriation or unfair competition nor does it apply generally to “unfair copying”. There must be deception, as explained clearly by Jacob LJ in *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5 at [16] *et seq*:

“16. The next point of passing off law to consider is misrepresentation. Sometimes a distinction is drawn between “mere confusion” which is not enough, and “deception,” which is. I described the difference as “elusive” in Reed Executive v Reed Business Information [2004] RPC 767 at 797. I said this, [111]:

“Once the position strays into misleading a substantial number of people (going from “I wonder if there is a connection” to “I assume there is a connection”) there will be passing off, whether the use is as a business name or a trade mark on goods.”

17. This of course is a question of degree — there will be some mere wonderers and some assumers — there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former.

18. The current (2005) edition of Kerly contains a discussion of the distinction at paragraphs 15–043–15–045. It is suggested that:

“The real distinction between mere confusion and deception lies in their causative effects. Mere confusion has no causative effect (other than to confuse lawyers and their clients) whereas, if in answer to the

question: “what moves the public to buy?, the insignia complained of is identified, then it is a case of deception.”

- 19 *Although correct as far as it goes, I do not endorse that as a complete statement of the position. Clearly if the public are induced to buy by mistaking the insignia of B for that which they know to be that of A, there is deception. But there are other cases too — for instance those in the Buttercup case. A more complete test would be whether what is said to be deception rather than mere confusion is really likely to be damaging to the claimant's goodwill or divert trade from him. I emphasise the word “really.”*

Damage

71. The tort of passing-off is intended to protect the claimant’s right of property in his business or goodwill. To be actionable, the defendant’s misrepresentation must be likely to cause substantial damage to that property: the use of the sign must be deceptive; deception must lead to damage; and the damage must be to the claimant’s goodwill. If there is no damage or prospect of damage to the claimant’s business or goodwill then there can be no cause of action for passing-off (see *Jif Lemon* , above at paragraph [65]).
72. Counsel for the Defendants referred me to the comments of Arnold J in *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2009] RPC 9 at [234] noting that where there is both goodwill and deception, damage is often likely to follow. However, it remains the case that the core issue is whether any confusion that may exist because of the actions of the Defendants will actually cause the Claimants to lose business that they might otherwise have gained. Damage, misrepresentation and goodwill are inextricably intertwined.

Descriptive words

73. Before applying these principles, it is important to say something about how the law applies when an assertion is made that the use of words which are on their face descriptive gives rise to a cause of action in passing off. It is implicit in what has been said above that the use of such words will only be protected if that use can be

shown to have become distinctive of the Claimants, otherwise there can be no ‘deception’ and there may not even be confusion.

74. The law was reviewed by HHJ Hacon in *Cranford Community College v Cranford College Ltd* [2015] ETMR 7. Given the nature of the Claimants’ pleaded case, it is worth reproducing at some length the analysis undertaken by HHJ Hacon:

“14 *It has long been established that a trade name which is descriptive in its literal meaning may be protected by the law of passing off if it has acquired a secondary meaning so that in the relevant market it has come to distinguish the claimant's goods or services from those of other traders, see Reddaway v Banham [1896] AC 199.*

15 *Separately from this, it is possible for a trader to protect goodwill associated with a name which is in part, even in large part, descriptive, provided the whole trading name is capable of distinguishing his goods or services. However in such a case a defendant may avoid passing off by using a trade name which differs only in minor detail from that of the claimant. The classic case in point is Office Cleaning in which the Respondents’ ‘Office Cleaning Association’ trade name differed sufficiently from ‘Office Cleaning Services’ used by the Appellants for there to be a finding of no passing off. Lord Simonds, with whom Lord Wright, Lord Porter and the Lord Chief Justice, Lord Goddard, all agreed, said this (at pp.42–43):*

“Foremost I put the fact that the Appellants chose to adopt as part of their title the words ‘Office Cleaning’ which are English words in common use, apt and more apt than any other words to describe the service that they render. ... So it is that, just as in the case of a trade mark the use of descriptive words is jealously safeguarded, so in the case of trade names the Courts will not readily assume that the use by a trader as part of his trade name of descriptive words already used by another trader as part of his trade name is likely to cause confusion and will easily accept small differences as adequate to avoid it. It is otherwise where a fancy word has been chosen as part of the name.

Then it is that fancy word which is discriminatory and upon which the attention is fixed, and if another trader takes that word as part of his trade name with only a slight variation or addition, he may well be said to invite confusion. For why else did he adopt it?

...

So long as descriptive words are used by two traders as part of their respective trade names, it is possible that some members of the public will be confused whatever the differentiating words may be. ... It comes in the end, I think, to no more than this, that where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The Court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered.”

[...]

20 *[...] it seems to me that if a prima facie descriptive name has acquired a secondary and distinctive meaning, this does not necessarily put the name into the same position as an inherently distinctive trade name. The scope of protection afforded in respect of a descriptive name with a secondary meaning is liable to be narrower. The public will not have erased from their collective mind the usual meaning given to the words as a matter of ordinary language. It is therefore possible that either a minor alteration in, or an addition to, the name, or a presentation of the name in a different manner or context could restore the descriptive meaning in the mind of the public and that in consequence no misrepresentation will occur.*

21 *The degree to which this will happen, and therefore the degree to which the scope of protection of a descriptive name with a secondary meaning is narrower than that afforded to an inherently distinctive*

name, will depend on the extent to which the secondary meaning has taken root in the mind of the public so as not to be easily displaced. To use a suggested example, the secondary meaning of 'Eton College' has now had several hundred years to override the literal idea of any college located in Eton.

22 *In addition, what looks superficially like relevant confusion may not be. It may be that in the minds of some members of the public the name has not acquired the secondary meaning. These individuals are liable to mistake the claimant for the defendant because both use trading names which describe their respective businesses in the same way (as in the Office Cleaning context). This is not evidence of a misrepresentation.”*

75. Taking all of that in the round, it seems to me that in considering a claim for passing off in relation to a mark which is in large part descriptive, the Court must apply the same test as it would in relation to any mark:

- does the mark claimed give rise to goodwill in the sense that it is distinctive;
- is it likely that any distinctive element will be perceived by a substantial number of the relevant public; and finally,
- is it likely that any damage will be caused to any goodwill that may persist by the conduct of the Defendants such that that conduct is really likely to divert trade from the Claimants.

76. In applying that test in the particular context of descriptive words, the Court should have in mind some further questions:

- has the claimant established that the descriptive element of his mark has acquired a secondary meaning that is capable of distinguishing trade origin;
- if so, what is its scope; and
- is a substantial number of the public likely to perceive that secondary meaning and not merely the natural meaning in the context of the alleged infringement,

particularly where the defendant has taken steps to distinguish its use from that of the claimant.

77. When considering these questions, it is necessary to remember that, as noted by Jacob LJ in *Phones4U*, merely wondering whether the words bear their secondary meaning in that context or have a connection with the Claimants is not enough to give rise to deception. The Court may also consider whether a greater degree of discrimination may fairly be expected from the public where a trade name consists wholly or in part of words in common use, and descriptive of the service being offered.

Passing off

78. As an interim injunction may be granted only if there is a serious issue to be tried, the strength of the Claimants' case on the fundamental requirements of the relevant cause of action logically falls to be considered first. This is particularly the case where, as here, the Defendants argue strongly that the nature of the Claimants' mark is such that no serious question arises to be tried.
79. Moreover, where, in the words quoted without disapproval by Robert Walker LJ in *Guardian Media Group Plc and Others v Associated Newspapers Ltd* [2000] 1 WLUK 442 "... the questions of damage and likelihood of damage are intimately bound up with the strength of the cause of action itself ...", it makes sense turn first to the positions of the parties on the issue of passing off, as both Counsel did in their skeletons and oral submissions, before considering the application of the American Cyanamid principles.

Submissions

80. Counsel for the Claimants submitted that all three elements of the tort were established, or at the least that there was clearly a serious case to be tried, and that the balance of convenience and the remainder of the *American Cyanamid* principles were therefore key to the proper disposal of the application.
81. On the question of the descriptive nature of the marks, and whether they were capable of giving rise to goodwill, Mr. Campbell argued that the fact that the marks were descriptive in nature did not give rise to a defence to passing off, citing the well-

known case of *Reddaway v Banham* [189] AC 199, HL as support for this proposition. He also referred to *The Ukulele Orchestra of Great Britain v The United Kingdom Ukulele Orchestra* [2015] EWHC 1772 (IPEC) in which HHJ Hacon applied *Reddaway v Banham*. In both of those cases, it was held that a secondary meaning had been established for the descriptive terms in question.

82. Mr. Campbell submitted that such a secondary meaning had been established in the words “‘FREEPRINTS’ (or colourable variations thereof)” such that the use by the Defendants of the sign ‘FREE PRINTS’ whether alone or as part of its name, namely ‘PHOTOBOX FREE PRINTS’ amounted to passing off.
83. Mr. Douglas also drew my attention to the case of *Slazenger & Sons v Feltham & Co* (1889) 6 RPC 130 at page 538 per Lindley LJ, arguing that if it is shown that a defendant has deliberately sought to take the benefit of a claimant’s goodwill for himself the court will not “*be astute to say that he cannot succeed in doing that which he is straining every nerve to do*”.
84. Counsel for the Defendants acknowledged that the Claimants had valuable goodwill and had a connection with a substantial customer base. He did not agree that goodwill could be said to subsist in the words FREE PRINTS, at all or that the use by the Defendants of the phrase FREE PRINTS in the circumstances of the case was capable of causing deception and of damaging that goodwill as required to establish the basis of the tort. He also noted the different ways in which the Defendants had sought to distinguish their use of the phrase “FREE PRINTS” even before offering undertakings to Birss J, by inserting the Defendants’ corporate name before ‘FREE PRINTS’ and avoiding the use of the elided form of FREEPRINTS used by the Claimants (see paragraphs 16 and 17).
85. Mr. Alkin’s principal submissions were therefore that the Court should dispose of the application on the basis that there is no serious issue to be tried because the Claimants’ use of the term ‘FREE PRINTS’ is clearly descriptive and has not acquired a secondary meaning, while the Defendants’ use is accompanied by trade origin specific distinguishers, preventing deception, and therefore damage. Mr. Alkin was willing to accept for the purposes of the interim injunction application that there was an arguable case that the use of ‘FREEPRINTS’ in its elided form may have

acquired a secondary meaning in addition to its descriptive meaning. He argued that, even in that case the distinguishing features originally adopted by the Defendants, and the fact that no secondary meaning had been established in the descriptive phrase, again meant that there was no serious question for trial.

86. Mr. Alkin submitted in the alternative that, even if the court were not persuaded that there was no serious issue to be tried, the merits are weak; that the order sought would cause serious unquantifiable harm to the Defendants; and, if refused, the Claimants would suffer a lesser order of harm, favouring the Defendants in assessing the balance of convenience.

Assessment

87. This is a convenient moment to consider whether this is a case in which, at an interim stage, it is possible to reach a view that: either it is not necessary to proceed to consider balance of convenience at all, because there is no serious case to be tried; and/or whether the merits of the Claimants' case seem sufficiently likely to be weak at any final trial (and disproportionately so when compared with that of the Defendants) that this will have a role to play when considering the balance of convenience, if that turns out to be necessary.
88. In taking this approach, I bear in mind the comments of Robert Walker LJ in *Guardian Media Group Plc and Others v Associated Newspapers Ltd* [2000] 1 WLUK 442 where it was explained that a more flexible approach might be taken to dealing with the merits of the case in passing off matters:

“But in passing off the questions of damage and likelihood of damage are intimately bound up with the strength of the cause of action itself. The more that deception and confusion is likely the stronger the case but also the more the unquantifiable damage that the claimant is likely to suffer. So, as it seems to me, in the ordinary run of passing off cases — and to some extent this is the ordinary run of passing off case — an interlocutory injunction would only be granted where the claimant can show significant likelihood of damage to his goodwill, i.e. significant likelihood of deception or confusion. I approach this case on that basis.” (paragraph 13)

89. At paragraph 18 he went on to say:

“The American Cyanamid principles have a degree of flexibility and they do not prevent the court from giving proper weight to any clear view which the court can form at the time of the application for interim relief (and without the need for a mini-trial on copious affidavit evidence) as to the likely outcome at trial. That is particularly so when the grant or withholding of interim relief may influence the ultimate commercial outcome.”

90. I also bear in mind that at this stage it is not the role of the court to resolve critical disputed issues of fact, while noting that in dealing with claims of passing off:

“[W]hat the judge has to decide ... is whether the public at large is likely to be deceived. What would the effect of the representation be upon the reasonable prospective purchaser? Instances of actual deception may be useful as examples, and evidence of persons experienced in the ways of purchasers of a particular class of goods will assist the judge. But his decision does not depend solely or even primarily on the evaluation of such evidence. The court must in the end trust to its own perception into the mind of the reasonable man.” Lord Devlin in *Parker Knoll v Knoll International* [1962] 1 WLUK 11; [1962] RPC 265.

91. Mr. Campbell argued that deciding at this stage that there was no serious issue to be tried would require me to be clear that it was not worth considering the balance of convenience at all because I took the view that, notwithstanding the incomplete evidence before me, the claim was vexatious or frivolous. Mr. Alkin responded both by pointing out the authorities relating to descriptive marks and by taking me to the evidence of the ways in which both companies use the term FREE PRINTS. He argued that on those facts alone, it was open to me to decide that the claim gives rise to no serious issue.

92. Having had regard to all those factors, I cannot safely conclude at this stage that there is no serious question to be tried. I bear in mind that the requirement in *American Cyanamid* that a claimant seeking interim injunctive relief should establish ‘a serious question to be tried’, is a lower threshold than the practice before that case of

requiring a strong case on its face, as explained in sections 15-8 and 15-9 of the White Book at pages 2934 and 2935.

93. An important issue at trial will be whether the original conduct complained of by the Claimants amounted to passing off. From what has been said above, there is some prospect of a secondary meaning being established by the Claimants in some uses of 'FREEPRINTS'. No evidence has been adduced by either party as to the extent of any goodwill in that usage or as to the extent of any deception and consequential damage caused by the Defendants' original use of FREE PRINTS.
94. The Claimants did submit evidence relating to the original context in which the Defendants' use took place, including as to marketing materials and promotional phrases which would fall to be considered at any eventual trial, but which has not been significantly argued before me. I therefore conclude that I should not attempt to resolve "... *critical disputed questions of fact or difficult points of law*" on which the claim of either party may ultimately depend as those are properly matters for the trial judge.³

Balance of convenience

95. As I have concluded that there is a question to be tried, I must turn to the balance of convenience.

Are damages likely to be an adequate remedy

96. Both the Claimants and the Defendants submit that damages would not be an adequate remedy. The Defendants accepted that damages would not be an adequate remedy for either party, while the Claimants argued that damages would be an adequate remedy for the Defendants. On this issue, I take the view that, given the nature of the damages that are likely to be suffered by either party (including the difficulty of assessing the impact of any decision either way on the ability of either party to generate new accounts and the effect of this on long term consequential business), and the likely difficulties in quantifying such damages, discussed further below, damages are unlikely adequately to compensate the Claimants in the event that they succeed at trial in the absence of interim relief or adequately to compensate the

³ Citation is to *Sukhoruchkin v van Bekestein* [2014] EWCA Civ 399, per Sir Terence Etherton C, at paragraph 32.

Defendants in the event that the Claimants fail, and the Defendants have been made subject to an interim injunction in the run up to trial.

Where does the balance of convenience lie?

97. In considering this fundamental question, the Court must consider whether the lowest risk of injustice will arise from granting or refusing interim relief. All the circumstances of the case are relevant including both the availability of a cross-undertaking in damages from the Claimants, in the event of a wrongly granted injunction, and any undertakings in lieu of injunctive relief offered by the Defendants, which will reduce the likelihood of harm and the quantum of damage that may be suffered by the Claimants in the event of an injunction pending trial being denied.
98. The Courts have hesitated to produce a definitive list of factors to be taken into account in addressing the balance of convenience. Those which were put to me in this case included the relative likely harm to both parties; the relative difficulties in quantifying any damages suffered; the 'unfair' nature of the competition to the Claimants from the Defendants' conduct; the importance of maintaining the status quo; and the relative merits of the parties' cases.
99. Having reviewed the evidence of both parties and heard the submissions of counsel, I remind myself that the purpose of an interim injunction or undertakings in lieu in an action for passing off is not to prevent competition between companies. It is not the strength of any restriction on the Defendants which matters, nor the effect of competition from the Defendants on the Claimants, rather it is the extent to which undertakings or an injunction can reduce the likelihood of deception and of damage caused by that deception to the Claimants' goodwill. This must also be balanced against the effect on the Defendants of granting the injunction or accepting the undertakings and having regard to the likelihood of either party being compensated in the event that the Court's decision is ultimately held not to be correct in the light of how matters transpire at any final trial.
100. As to the relative harm to both parties, my view is that overall the damage likely to be suffered by the Defendants from the wrongful grant of an injunction is likely to be greater than that of the Claimants if an injunction is not granted and the Claimants ultimately succeed at trial.

101. As far as quantification of damage is concerned, the fact that the Claimants have been established for a longer time, and have a longer trading history to draw on, will make it easier for the trial judge, assisted by an expert, to estimate damages suffered by the Claimants than is likely to be the case for the relatively new app business of the Defendants. The Court would have available to it a significant history of trading figures for the Claimants from which to extrapolate, and would also be able to use the extent of any business acquired by the Defendants during the period since launch as an additional factor or cross-check, taking a view in the light of all the evidence as to what proportion of those users were obtained through actionable deception.
102. Counsel for the Claimants made submissions about various forms of harm to the Claimants which were argued in the Claimants' evidence to be likely to eventuate if no injunction were granted. In some instances, it seemed to me highly unlikely that damage of the type identified would be recoverable either because it was speculative that the damage in question would arise or because it seemed unlikely to be the sort of damage that would be caused by passing off.
103. The Defendants' undertakings are important to the question of damage at this interim stage. By making and then maintaining changes to the appearance of the Defendants' App, the likelihood of actionable deception has been reduced and, to the extent that deception may occur, the extent to which it occurs and any consequential harm caused to the Claimants has also been reduced. The undertakings which the Defendants are willing to give until trial, while not returning the market to the status quo before the launch of the Defendants' App in April this year, go a long way towards maintaining a degree of balance between the parties in the market so as to reduce the risk of serious injustice to either.
104. I recognise that, in assessing that balance, the relevant point of time for the purpose of the 'status quo' may be difficult to determine and may vary. The nature of the Claimants' mark, my views on the balance of convenience generally, the speed with which the original undertakings were given and the scope of those undertakings (including as to limitations on the Defendants' ability to market their App) make the point after the original undertakings were offered the appropriate point of time for the purpose of the 'status quo' in this case. This is my view, not least because those undertakings mean that the Defendants' App is now distinguished to a greater extent

from that of the Claimants than was originally the case (even if the Claimants' use of FREEPRINTS has acquired a secondary meaning) and because the Defendants are willing to limit their marketing so as to reduce significantly the likelihood of deception and damage to the Claimants' goodwill arising in practice.

105. Finally, I have considered whether the Claimants' case is sufficiently strong or weak on the merits as to affect the overall balance of convenience. On the balance of the information and evidence before me, I am of the view that the Claimants' case suffers from material weaknesses. As I mentioned during the hearing, I have particular concerns about at least the following issues:

- the clearly descriptive nature of the words FREE PRINTS;
- the lack of evidence that the Claimants have established a secondary meaning in the phrase FREE PRINTS;
- the lack of evidence that there is any goodwill attaching to the Claimants by virtue of their use of the phrase FREE PRINTS as a signifier of origin or of their particular business, rather than as a description of the goods and services they supply, particularly as to price;
- the fact that the Defendants had, even before the action commenced, taken steps to distinguish their use of the phrase FREE PRINTS and were using it both as part of a distinct trade name and as a way of describing the services they offer;
- even if the Claimants have established a secondary meaning in the name 'FREEPRINTS', that will be narrower than an inherently distinctive name and minor alterations to the name, or presentation of the name in a different manner or context could restore the descriptive meaning; and
- the lack of evidence that any damage that might be caused to the Claimants by the Defendants' use of the phrase FREE PRINTS would really arise from any deception of members of the public, rather than mere confusion, and whether any confusion that did result would be of a sort that gave rise to actionable passing off.

106. Taking the two questions that I identified above as being particularly relevant to the merits in a case where descriptive words are in issue, I can summarise by saying that I have significant doubts that the Claimants will ultimately be able to establish that the descriptive element of their mark has acquired a secondary meaning that is capable of distinguishing trade origin, particularly in circumstances where, as reflected in the evidence of Mr. Woolfenden on behalf of the Defendants, low cost or “freemium” digital offerings are popular and growing.
107. I was not persuaded by Mr. Campbell’s submissions that this was a case in which the approach in *Slazenger v Feltham* was likely to assist his clients. I could see no evidence thus far that the Defendants were “*straining every nerve*” to pass their business off as that of the Claimants in view of the use by the Defendants of their corporate name as a distinguishing factor. A passing-off action is a remedy for the invasion of a right of property not in the mark, name or get-up used, but in the business or goodwill likely to be injured by the misrepresentation made by passing off one person’s goods as the goods of another.
108. Given the descriptive nature of the words in question, it may be difficult for the Claimants to establish that a substantial number of the public is likely to perceive any secondary meaning in the words and not merely the natural meaning in the context of the alleged infringement and thus that any damage will be suffered of the kind required to establish passing off. The remarks of HHJ Hacon in *Cranford* seem particularly apposite:

“... An addition to descriptive words, even a minor one, can in principle give rise to a badge of origin—a trade name which the claimant can protect. But he cannot use such a trade name to fence off to his own use the descriptive words contained within the name; he cannot rely on those descriptive words, where those words are the source of confusion, to sustain an action for passing off.

[...]

22 *In addition, what looks superficially like relevant confusion may not be. It may be that in the minds of some members of the public the name has not acquired the secondary meaning. These individuals are liable*

to mistake the claimant for the defendant because both use trading names which describe their respective businesses in the same way (as in the Office Cleaning context). This is not evidence of a misrepresentation.”

109. On balance, having heard the submissions of both Counsel, and considered the initial evidence before me, it is my view that in considering the balance of convenience, this is a case in which the relative merits of the parties' cases is relevant, particularly in the light of the comments in Part 2 of the White Book at 15-47.2 and the authorities mentioned there, reflecting the close link between the questions of the extent of damage and the likelihood of damage being bound up with the strength of the underlying cause of action.
110. For the reasons given above, the relative merits of the parties' cases in this matter weighs in the balance in the favour of the Defendants.
111. In the light of the above, the Claimants' application is refused.