



Easter Term

[2015] UKSC 31

On appeal from: [2013] EWCA Civ 1465

JUDGMENT

**Starbucks (HK) Limited and another (Appellants) v British Sky Broadcasting Group PLC
and others (Respondents)**

before

Lord Neuberger, President

Lord Sumption

Lord Carnwath

Lord Toulson

Lord Hodge

JUDGMENT GIVEN ON

13 May 2015

Heard on 25 and 26 March 2015

Appellants

Michael Silverleaf QC

Kathryn Pickard

(Instructed by Dechert LLP)

Respondents

Geoffrey Hobbs QC

Iain Purvis QC

Guy Hollingworth

(Instructed by King and Wood Mallesons LLP)

LORD NEUBERGER: (with whom Lord Sumption, Lord Carnwath, Lord Toulson and Lord Hodge agree)

1.

This appeal raises the issue whether, as the appellants contend, a claimant who is seeking to maintain an action in passing off need only establish a reputation among a significant section of the public within the jurisdiction, or whether, as the courts below held, such a claimant must also establish a business with customers within the jurisdiction. It is an issue on which there is conflicting jurisprudence in the common law world, and it is of particularly acute significance in the age of global electronic communication.

The factual background

2.

The claim in these proceedings relates to internet protocol television ("IPTV"), which is a way of delivering TV or video content over the internet. There are two main types of IPTV, "closed circuit" and "over the top". Closed circuit IPTV uses dedicated bandwidth on the provider's network. It requires the subscriber to have a set top box to receive the service, the signal for which is encrypted. In many respects, closed circuit IPTV services are akin to traditional cable broadcasts. However, in addition to linear television broadcasts, IPTV services typically include catch-up facilities and other forms of video-on-demand. Over the top ("OTT") IPTV involves the signal being delivered via a standard broadband connection. OTT IPTV can be viewed (with appropriate software applications) on any device with a broadband connection.

3.

The appellant claimants, Starbucks (HK) Ltd and PCCW Media Ltd, are members of a substantial group based in Hong Kong headed by PCCW Ltd, and I will refer to group members compendiously as "PCCM". Since 2003, PCCM has provided a closed circuit IPTV service in Hong Kong. The service was launched under the name NOW BROADBAND TV, but in March 2006 the name was changed to NOW TV, under which it has operated ever since. By 2012, after PCCM had spent substantial sums on marketing, NOW TV had become the largest pay TV operator in Hong Kong, with around 1.2m subscribers, covering over half the households in Hong Kong. Having started with 23 channels it now has around 200, and many of the programmes are PCCM's, quite a few of them under brand names using the word NOW. Although the name of the channel has always been English, all PCCM's programmes are in Mandarin or Cantonese, but the channel also carries some English language programmes (including Sky News and Manchester United's channel, MUTV). Ninety per cent of PCCM's pay TV revenue comes from subscriptions, the balance coming from advertising.

4.

People in the United Kingdom cannot receive PCCM's closed circuit service. No set top boxes for it have been supplied in the UK, no subscription has been registered to a subscriber with a UK billing address, and there is no evidence of any subscriptions having been paid for with credit or debit cards with billing addresses in the UK. Consistently with this, PCCM has never held an Ofcom licence for broadcasting in the UK. However, a number of Chinese speakers permanently or temporarily resident in the UK in 2012 were aware of the NOW TV service through exposure to it when residing in or visiting Hong Kong.

5.

On the findings made by the trial judge, UK residents could also become acquainted with the NOW TV service in three other ways by 2012. First, since July 2007, the Chinese language content had been accessible free of charge via PCCM's own websites. Secondly, programmes and trailers from the NOW TV service had been available free of charge on PCCM's "channel" on the YouTube website. Thirdly, a few of PCCM's programmes from its NOW TV service had been available as videos-on-demand on various international airlines, three of which flew into the UK, but none of whose in-flight magazines made reference to NOW TV.

6.

PCCM had been giving consideration to expanding its NOW TV subscription service internationally, including into the UK, since some time in 2009, when it began discussions with a potential UK partner, and those discussions had been continuing during 2012. In June 2012, PCCM had launched a NOW player "app" in the UK, both on its website and via the Apple App Store, in order to warm up the market for the launch of PCCM's NOW TV on the platform of its proposed UK partner. The app and

the channels were to be targeted at the Chinese-speaking population in the UK. By October 2012, just over 2,200 people in the UK had downloaded the app.

7.

Meanwhile, on 21 March 2012, the three respondent defendants, British Sky Broadcasting Group PLC, British Sky Broadcasting Ltd and Sky IP International Ltd, who are all part of the British Sky Broadcasting Group, and have been referred to throughout these proceedings as “Sky”, announced that they intended to launch a new IPTV service under the name NOW TV, as an OTT service. They subsequently effected that launch in beta form in mid-July 2012.

8.

The development of Sky’s NOW TV service had begun with a presentation to their operating executives in late March 2011, and, after consulting an external branding organisation, Sky chose the name “Sky Movies NOW” in September 2011. However, further consideration suggested that it would be unwise to include the word “Sky” in the name of the new service, and a consumer research agency was instructed to address the naming issue. The agency recommended simply using the word “Now”, and Sky decided to follow that advice, while including the phrase “Powered by Sky” in the branding.

The instant proceedings

9.

On 19 April 2012, PCCM began these proceedings, seeking to prevent Sky from using the name NOW TV in connection with its OTT IPTV service in the UK, on the grounds that the use of that name amounted to passing off. (There was also a claim that it infringed a trade mark registered in the name of PCCM. That claim was dismissed by the courts below and is not pursued in this appeal.)

10.

The claim came before Arnold J, and in the course of his judgment, he found that a substantial number of Chinese speakers permanently or temporarily resident in the UK were acquainted with PCCM’s NOW TV service through exposure to it when residing in or visiting Hong Kong. He also found that PCCM’s NOW TV service had acquired a reputation amongst members of the Chinese-speaking community in the UK, based on their exposure to it via PCCM’s NOW TV “channel” on the YouTube website and PCCM’s NOW TV websites (together “the websites”) as well as the showing of PCCM’s programmes on international flights. Arnold J held that this reputation was modest but more than de minimis.

11.

However, Arnold J dismissed PCCM’s claim. He rejected the argument that it was sufficient for PCCM to identify a body of people in the UK who associated the mark NOW TV with its IPTV service in Hong Kong: they were not customers in the UK, and therefore did not represent goodwill in the jurisdiction. He also considered that the mere accessibility of PCCM’s material in the UK via the websites did not give rise to a protectable goodwill, stating that “the key question is whether the viewers of PCCM’s programmes in the [UK] were customers for its service so as to give rise to a protectable goodwill in the UK” - [\[2012\] EWHC 3074 Ch](#), [\[2013\] FSR 29](#), para 147. Two paragraphs later, he said that the contention that viewers in the UK of PCCM’s programmes on the websites represented goodwill would, as he put it, stretch the concept of “customer” to breaking point. As he explained, if it were otherwise, hundreds of television channels worldwide would have customers, and hence protectable goodwill, in the UK, as a result of the YouTube website. In para 150 of his judgment, he concluded that the reality was that “PCCM’s primary purpose in making programme content available via YouTube, its own websites and international airlines was to promote its Hong Kong business by

encouraging people to subscribe in Hong Kong". Therefore, he held that PCCM's "customers were its viewers in Hong Kong, but not viewers in the UK", and so its "business had goodwill in Hong Kong but not in the UK", so that the passing off claim failed.

12.

Arnold J nonetheless added in para 158 that, if he had found PCCM to have a protectable goodwill in the UK, he would have accepted that there was a likelihood that a substantial number of UK viewers who were previously familiar with PCCM's NOW TV would wrongly believe that Sky's NOW TV emanated from the same or a connected source. Arnold J gave PCCM permission to appeal against his decision on the passing off claim.

13.

PCCM's appeal to the Court of Appeal was dismissed for reasons given by Sir John Mummery, with whom Patten and Pitchford LJ agreed – [\[2013\] EWCA Civ 1465](#), [\[2014\] FSR 20](#). The Court of Appeal essentially agreed with Arnold J's analysis as briefly summarised in para 11 above. In the circumstances, they did not need to deal with the issues raised in Sky's respondent's notice, in which it was contended that Arnold J had erred in finding that (i) the reputation of PCCM's NOW service in the UK was more than de minimis, and (ii) internet users visiting PCCM's website could access any video content from the UK at any relevant time.

14.

With the permission of this Court, PCCM now appeals against the decision of the Court of Appeal, upholding Arnold J's dismissal of its passing off claim.

The issue on this appeal

15.

As Lord Oliver of Aylmerton explained in *Reckitt & Colman Products Ltd v Borden Inc* [1990] 1 WLR 491, "[t]he law of passing off can be summarised in one short general proposition – no man may pass off his goods as those of another". As he immediately went on to say, a claimant, or a plaintiff as it was then, has to establish three elements in order to succeed in a passing off action:

"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 a 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 ... 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."

16.

It is common ground that, in order to succeed, a claimant in a passing off action has to establish its claim as at the inception of the use complained of. Although there is no decision of the House of Lords specifically to that effect, it is supported by a number of Court of Appeal decisions, perhaps most

clearly from *Anheuser-Busch Inc v Budejovicky Budvar NP* [1984] FSR 413, 462, and it appears to me that it must be right. Accordingly, as the Judge accepted, PCCM had to establish the three elements (or, on one view of PCCM's case on the first element, an updated version of the three elements) identified by Lord Oliver, in relation to the NOW TV mark for IPTV services as at 21 March 2012, the date when Sky went public about its imminent intention to launch its IPTV service in the UK under the name NOW TV.

17.

Subject to the issues raised by Sky in their respondent's notice, and based on the conclusions reached by the Judge, PCCM established the second and third of the three elements identified by Lord Oliver. The argument on this appeal has therefore focussed on the first element, namely the requirement that PCCM must establish what Lord Oliver referred to as "a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association" with the relevant "get-up", viz. the mark NOW TV with PCCM's IPTV service. The Judge and the Court of Appeal thought that it was not enough for PCCM to establish that it had a reputation among a significant number of people in this country, if it had no goodwill in this country. Thus, they considered that the fact that there were people in this country who associated NOW TV with PCCM's product would not satisfy the first element, if those people were not or had not been customers for PCCM's product in this country. They also considered that the fact that people in this country had been exposed to PCCM's NOW TV products via the websites and the showing of PCCM's programmes on international flights did not make them customers for the purpose of establishing goodwill in this country. On behalf of Sky, Mr Hobbs QC, who appeared with Mr Purvis QC and Mr Hollingworth, supported these conclusions.

18.

Mr Silverleaf QC, who appeared with Ms Pickard for PCCM, argued that the courts below were wrong, and in particular that (i) it was sufficient for PCCM to succeed in its passing off claim that it had established a reputation for the NOW TV name in connection with its IPTV service among a significant number of people in this country, even if they were not customers of PCCM's IPTV services in this country, but in Hong Kong, and (ii) in any event, PCCM had customers in this country, because a significant number of people were PCCM's customers in this country by virtue of having been exposed to PCCM's programmes on the websites and on international flights.

The House of Lords and Privy Council authorities and *Anheuser-Busch*

19.

In the course of their excellent arguments, each counsel referred to a number of judgments to support their respective cases. A degree of caution is appropriate when considering these earlier cases, for two reasons. First, in many (but not all) of the cases, the precise issue which this appeal raises was not being considered, and therefore the judges may not have had that issue in the forefront of their minds or have received full argument in connection with it. Secondly, (despite certifying in its notice of appeal that PCCM would not be inviting this Court to depart from any decision of the House of Lords) Mr Silverleaf argued that we should, if necessary, develop the law so that it accords with their case: thus, it would not automatically be enough to conclude that the reasoning in a previous decision of the House of Lords effectively disposes of this appeal.

20.

Nonetheless, it does appear that the courts in the United Kingdom have consistently held that it is necessary for a claimant to have goodwill, in the sense of a customer base, in this jurisdiction, before

it can satisfy the first element identified by Lord Oliver. That this has been the consistent theme in the cases can be well established by reference to a series of House of Lords decisions, and a decision of the Judicial Committee of the Privy Council, over the past century.

21.

In *AG Spalding & Bros v AW Gamage Ltd* (1915) 32 RPC 273, 284, Lord Parker of Waddington said that “the nature of the right the invasion of which is the subject of [a] passing-off action” was “a right of property ... in the business or goodwill likely to be injured by the misrepresentation”, and, at least unless the concept of goodwill is given a significantly wider meaning than that which it naturally has, it would not extend to a mere reputation. Thus, in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217, 235, Lord Lindley explained that goodwill “is inseparable from the business to which it adds value, and, in my opinion, exists where the business is carried on”. As he went on to explain, goodwill can have “a distinct locality” even within a particular jurisdiction. Observations of Lord Macnaghten, Lord James of Hereford and Lord Brampton at pp 224, 228 and 231-233 respectively were to much the same effect. Although the observations were made in the context of a revenue case, they purported to be general statements about the meaning of “goodwill”.

22.

In *T Oertli AG v EJ Bowman (London) Ltd* [1959] RPC 1, the House of Lords unanimously upheld a decision of the Court of Appeal, where Jenkins LJ had said that it was “of course essential to the success of any claim in respect of passing-off based on the use of a given mark or get-up that the plaintiff should be able to show that the disputed mark or get-up has become by user in this country distinctive of the plaintiff’s goods” – see at [1957] RPC 388, 397.

23.

In another passing off case, *Star Industrial Co Ltd v Yap Kwee Kor* [1976] FSR 256, 269, Lord Diplock, giving the advice of the Privy Council, referred to and relied on the observations of Lord Parker in *Spalding*. Lord Diplock explained that “[g]oodwill, as the subject of proprietary rights, is incapable of subsisting by itself”, having “no independent existence apart from the business to which it is attached”. He went on to explain that it “is local in character and divisible”, so that “if the business is carried on in several countries a separate goodwill attaches to it in each”.

24.

In *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] AC 731, 752, Lord Fraser of Tullybelton quoted Lord Diplock’s observations in *Star Industrial* with approval. At pp 755-756, he went on to identify five “facts” which it was “essential” for a plaintiff to establish in a passing off action, of which the first was that “his business consists of, or includes, selling in England a class of goods to which a particular trade name applies”. In the same case, Lord Diplock at p 742, citing *Spalding*, identified “five characteristics which must be present in order to create a valid cause of action for passing off”, which included “caus[ing] actual damage to a business or goodwill of the [plaintiff]”. Viscount Dilhorne, Lord Salmon and Lord Scarman agreed with both speeches.

25.

In the passage in his speech in *Reckitt & Colman*, quoted in para 15 above, Lord Oliver referred to “a goodwill or reputation ... in the mind of the purchasing public”, and at p 510, Lord Jauncey of Tullichettle referred to a requirement that “the plaintiff’s goods have acquired a reputation in the market and are known by some distinguishing feature”. Lord Bridge of Harwich (with “undisguised reluctance”, albeit not in connection with the point at issue), Lord Brandon of Oakbrook and Lord Goff of Chieveley agreed with both speeches.

26.

The ratio of the decision of the Court of Appeal in *Anheuser-Busch* was indisputably that, in order to support a passing off claim, the claimant must establish goodwill in the form of customers for its goods or services within the jurisdiction. In that case the importation from the United States of bottled beer under the plaintiff's BUDWEISER mark for use and sale in US military and diplomatic establishments within the UK and other European countries did not entitle the plaintiff to establish what Lord Oliver later stated was the first element of a passing off claim in relation to the UK, at any rate outside those establishments. Oliver LJ (later of course Lord Oliver) said at p 470 that the sales of 5,000,000 cases of bottles over 12 years in US diplomatic and military establishments in European countries were "sales for a very special market having no connection with the market in the countries in which the consumption actually took place"; having said that, he accepted that there could well be "a localised goodwill" within the diplomatic and military establishments. He also emphasised that the fact that the BUDWEISER mark may have had a reputation among a significant number of people in the UK did not assist the plaintiff as it involved "confus[ing] goodwill, which cannot exist in a vacuum, with mere reputation", adding that "reputation which may, no doubt, and frequently does, exist without any supporting local business, ... does not by itself constitute a property which the law protects". O'Connor and Dillon LJ expressed similar views at pp 471-472 and 476 respectively.

PCCM's case

27.

PCCM contends that, particularly in an age of global electronic communication and relatively quick and cheap travel, it is inconsistent with commercial reality and unrealistic in terms of practicality to treat the "reputation or goodwill" associated with a mark for a particular product or service as limited to jurisdictions in which there is a business with customers for the product or service, and incapable of extending to jurisdictions in which the mark is simply associated with the particular product or service as a matter of reputation. More specifically, PCCM argues that, in any event, on the facts found by Arnold J, it had a sufficient "goodwill or reputation" "in the mind of the purchasing public [in the United Kingdom] by association with the identifying 'get-up'" of NOW TV "attached to its products and services", namely its IPTV service, to satisfy the first element, as identified by Lord Oliver, of its passing off claim.

28.

On behalf of PCCM, Mr Silverleaf contended that the notion that goodwill should be limited to jurisdictions where the claimant had business is wrong in principle: the question of where the claimant had goodwill was a matter of fact and evidence, not a matter of law. Further, in the present age of "international travel and the presence of the internet", he argued that it would be anachronistic and unjust if there was no right to bring passing off proceedings, particularly in relation to an electronically communicated service, in a jurisdiction where, as a matter of fact, the plaintiff's mark had acquired a reputation. He suggested that the mere fact that the customers are in Hong Kong when they enjoy the service should not undermine PCCM's case that they have such a reputation here which deserves to be protected. He also submitted that the law would be arbitrary if PCCM had no right to bring passing off proceedings despite having a reputation in this country simply because users did not pay when they viewed PCCM's programmes free on the websites.

29.

Mr Silverleaf contrasted what he suggested was the slight difference between the present case and cases such as *Sheraton Corporation of America v Sheraton Motels Ltd* [1964] RPC 202. In that case, Buckley J held that a United States hotel company had a sufficiently arguable case for saying that it

had goodwill in the UK to justify an interlocutory injunction against use of its mark; the goodwill was based on the fact that customers living in the United Kingdom booked rooms in the plaintiff's hotels through the plaintiff's London office or through UK-based travel agents.

30.

So far as authorities are concerned, Mr Silverleaf suggested that there was no decision of the House of Lords which was inconsistent with this analysis, and, if we concluded that there was, we should depart from it. He accepted that some of the reasoning of the Privy Council in *Star Industrial* and the decision and reasoning of the Court of Appeal in *Anheuser-Busch* were inconsistent with PCCM's argument, but rightly said that we were not bound by them. He also relied on some decisions of the English courts to which I have not so far referred, some decisions of courts in other common law jurisdictions, and the economic and practical realities of the early 21st century.

31.

Lord Diplock's suggestion in *Star Industrial* that, if business is carried on in more than one country there is a separate goodwill in each country, has been questioned in more than one domestic case. Thus, in two first instance decisions, Graham J suggested that the geographical boundaries of any goodwill should be a question of fact in each case, rather than one of law - see *Baskin-Robbins Ice Cream Co v Gutman* [1976] FSR 545, 547-548 and *Maxim's Ltd v Dye* [1977] 1 WLR 1155, 1159, 1162. Megarry V-C in *Metric Resources Corporation v Leasemetrix Ltd* [1979] FSR 571, 579 also expressed some doubt about Lord Diplock's view on this point. And Lord Diplock's analysis was described as not being "an exactly accurate rendering of what was said in *Inland Revenue Commissioners v Muller's Margarine*" by Lloyd LJ (with whom Jacob and Stanley Burnton LJ agreed) in *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2010] EWCA Civ 110, [2010] RPC 485, para 99, although Lloyd LJ clearly considered that the actual decision in *Star Industrial* was correct. As he concluded, however, in para 106, *Anheuser-Busch* was binding authority "for the proposition that an undertaking which seeks to establish goodwill in relation to a mark for goods cannot do so, however great may be the reputation of his mark in the UK, unless it has customers among the general public in the UK for those products".

32.

So far as *Anheuser-Busch* is concerned, as I have already indicated, the fact that the decision proceeded on the basis that a plaintiff in a passing off action must have goodwill, in the form of customers, in the jurisdiction did not represent any departure from an approach already approved by the House of Lords. As Oliver LJ pointed out at p 464, Lord Diplock in *Erven Warnink* at p 744 stated that a plaintiff must have "used the descriptive term long enough on the market in connection with his own goods and have traded successfully enough to have built up a goodwill for his business", and, as Oliver LJ then observed, this "emphasises the point that goodwill (as opposed to mere reputation) does not exist here apart from a business carried on here". As Oliver LJ went on to say, the same feature "emerges with even greater clarity from the decision of the Privy Council in *Star Industrial*". And Dillon LJ in *Anheuser-Busch* at pp 475-476 cited *Spalding*, *Star Industrial* and *Inland Revenue Commissioners v Muller* to make the same point.

33.

A number of first instance, mostly interlocutory, cases were cited by Mr Silverleaf to support his argument that there is or should be no requirement that a claimant in a passing off action should be able to establish goodwill, as opposed to mere reputation, in the jurisdiction concerned. I do not think that any of the decisions in question assists PCCM.

34.

In *La Société Anonyme des Anciens Établissements Panhard et Levassor v Panhard Levassor Motor Company Ltd* [1901] 2 Ch 513, it is true that the French motor car manufacturer plaintiffs, as Farwell J put it at p 516, “did not sell directly in England”. However, as he went on to explain, “their cars were brought and imported into England, ... so that England was one of their markets”. As Dillon LJ put it in *Anheuser-Busch* at pp 477-478, “the French plaintiffs there had a market for their cars with the general public in this country through the importers who had obtained licences from the third parties who had relevant patent rights and ... the reputation, when the cars were imported into this country, enured to the French plaintiffs”. Nor does *Sheraton* help PCCM. As explained in para 29 above, the US hotel company had a booking office and agents in London, so it had customers in England. In *Suhner & Co AG v Suhner Ltd* [1967] RPC 336, Plowman J made no conclusive finding that the plaintiff had goodwill in the UK, but it is clear that its goods had been sold here - see at pp 337-338. In *Globelegance BV v Sarkissian* [1974] RPC 603, Templeman J reviewed many of the authorities at pp 609-613, and clearly accepted that it was necessary to have custom in this country, concluding that “[p]ure advertisement is clearly insufficient [but taking] bookings [is] sufficient [as is] carrying out orders in this country”. He then decided that the activities of the plaintiff in that case, selling patterns to a department store, who then used the patterns to make up dresses which were sold under the plaintiff’s mark, was enough.

35.

In a significant number of other cases at first instance, it is clear that, well before the Court of Appeal decision in *Anheuser-Busch*, Chancery Judges considered that a plaintiff had to establish at least an arguable case that it had business in the UK before it could obtain an interlocutory injunction against passing off. Before turning to them, it is instructive to refer to *Maxwell v Hogg* (1867) LR 2 Ch 307, which appears to have been the first case in which an English court specifically decided that mere reputation, without customers, was not enough to found a passing off claim. The Court of Appeal held that the plaintiff’s advertising campaign in respect of a proposed new newspaper called “*Belgravia*” with a view to imminent publication did not give him any right to enjoin the defendant from publishing a newspaper with the same name. Turner LJ, after mentioning the inconvenience of a plaintiff who had not even used the mark being able to restrain someone else from doing so, said at p 312 that the plaintiff had “neither given, nor come under any obligation to give, anything to the world; so that there is a total want of consideration for the right which he claims”. Cairns LJ at pp 313-314, explained that the plaintiff had no “right of property” for which he could claim protection, as “there has been no sale, or offering for sale, of the articles to which the name is to be attached”.

36.

More recent cases which support Sky’s case include the decisions of Pennycuik J in *Alain Bernardin et Cie v Pavilion Properties Ltd* [1967] RPC 581, Brightman J in *Amway Corporation v Eurway International Ltd* [1974] RPC 82, and Walton J in *Athlete’s Foot Marketing Associates Inc v Cobra Sports Ltd* [1980] RPC 343. In *Alain Bernardin*, Pennycuik J held that the plaintiffs could not obtain an injunction against the use of the mark CRAZY HORSE in the UK, even though they could establish a reputation here for its cabaret in Paris under that name. The plaintiff’s problem was that they could not identify any business done in the UK, either directly or indirectly (to use Farwell J’s expression in *Panhard*), in connection with their “Crazy Horse Saloon” in Paris, and the mere distribution of advertisements was not enough (hence Templeman J’s observation in *Globelegance* [1974] RPC 603). In other words, there does not seem to have been any evidence of any customers in England of the plaintiffs’ Paris establishment as opposed to people in England who visited that establishment when they were in Paris (see at p 582).

37.

Mr Silverleaf pointed out that the reasoning of Pennycuik J caused Sir Nicolas Browne-Wilkinson V-C some concern in *Pete Waterman Ltd v CBS United Kingdom Ltd* [1993] EMLR 27, 53-55. At pp 53-54, Sir Nicolas said that Pennycuik J's reasoning was based on the proposition that "even if the foreign trader has customers here he cannot protect his reputation unless he has conducted some business here", whereas the Vice-Chancellor thought that the law was or should be that "[i]f there is a use by the foreign trader in this country of his name for the purposes of his trade, the piracy of that name is an actionable wrong". But, as Mr Hobbs pointed out, the decision in *Alain Bernardin* would have been the same if the test identified by the Vice-Chancellor had been applied.

38.

Turning now to the cases in other jurisdictions, PCCM contends that decisions of the courts of Ireland, Canada, New Zealand, Australia, South Africa, Hong Kong and Singapore are consistent with its argument that a claimant does not have to establish goodwill, in the sense of actual customers, within the jurisdiction, in order to establish a claim for passing off.

39.

In *C&A Modes v C&A (Waterford) Ltd* [1978] FSR 126, the Supreme Court of Ireland held that the plaintiff's C&A department store in Belfast was entitled to mount a claim in passing off in the Irish Republic. At p 139, Henchy J was clearly unhappy about the decision in *Alain Bernardin*, and said that there were in the Irish Republic "sufficient customers of [the] plaintiff's business [in Belfast] to justify his claim". At pp 140-141, Kenny J rejected the argument that a passing off claim 'should be limited to cases where the plaintiff had acquired some of its goodwill in the Republic by user or trading in this country', and pointed out that the plaintiff in that case had customers in the Republic, where it had "carried out extensive advertising on television and radio and in the newspapers". He also said that the decision in *Alain Bernardin* was wrong. O'Higgins CJ agreed with Henchy J. I do not find this decision of much assistance in this case. As Walton J said in *Athlete's Foot* at p 356, these judgments (at least arguably in the same way as the judgment in *Pete Waterman*) show a "misapprehension" of the reasoning in *Alain Bernardin*: "if there had been customers of the Crazy Horse business in England, in the sense in which there were customers of the Sheraton Hotels business in England, the decision in [*Alain Bernardin*] surely must have been the other way".

40.

The Canadian case relied on by PCCM, *Orkin Exterminating Co Inc v Pestco Co of Canada Ltd* (1985) 19 DLR (4th) 90, is of no assistance. Although the plaintiff's business was conducted in the USA, it enjoyed thousands of Canadian clients who used its pest control services for their properties in Canada. At p 101 of his judgment in the Court of Appeal in Ontario, Morden JA specifically relied on the fact that the plaintiff had goodwill "including having customers" in Canada, although he did express disquiet about Lord Diplock's notion in *Star Industrial* that goodwill had to be divided up nationally.

41.

The New Zealand decision referred to by PCCM, *Dominion Rent A Car Ltd v Budget Rent A Car Systems (1970) Ltd* [1987] 2 TCLR 91, does not take matters much further. The ultimate decision was that both parties were entitled to use the name BUDGET in connection with their respective car hire businesses in New Zealand, and that turned on the facts. At p 101, Cooke P said that he did not think that Lord Diplock in *Star Industrial* should be understood as saying that goodwill should be automatically divisible between jurisdictions, describing it as "unnecessarily myopic to restrict this process to national boundaries". The furthest Cooke P went in the direction PCCM argues for was at

pp 101-102, where he said that he thought that “an Australian company’s reputation and goodwill can extend to New Zealand (and vice versa)”, but, importantly, he added “and, at least if there is a sufficient business connection with this country, will be entitled to protection here”. At pp 106-107, he said that “the rental vehicle business in Australasia cannot be divided into two mutually exclusive groups of customers, those who hire vehicles for driving in Australia and those who hire vehicles for driving in New Zealand. Obviously the same persons may do both”, thereby rejecting the contention that the defendant only had customers in New Zealand and the plaintiff in Australia. In his judgment, Somers J said at p 116 that a plaintiff in a passing off action “must show an invasion of that intangible right of property compendiously described as goodwill which can only exist in New Zealand when attached to a business having some connection with this country”. At p 120, Casey J quoted with apparent approval the view of Lord Fraser in *Erven Warnink*. Richardson J was “in general agreement” with Cooke P and Somers J, and McMullin J was “in general agreement” with Cooke P.

42.

Support for PCCM’s case may however be found in the decision of the Federal Court of Australia in *ConAgra Inc v McCain Foods (Aust) Pty Ltd* (1992) 106 ALR 465, given by Lockhart J, with whom Gummow and French JJ agreed (and gave judgments of their own). After a very full review of the common law authorities (including those I have discussed above) on pp 473-501, Lockhart J said at p 504 that it was “no longer valid, if it ever was, to speak of a business having goodwill or reputation only where the business is carried on”, relying on “[m]odern mass advertising ... [which] reaches people in many countries of the world”, “[t]he international mobility of the world population” and the fact that “[t]his is an age of enormous commercial enterprises”. He also said at p 505 that, in his view, “the ‘hard line’ cases in England conflict with the needs of contemporary business and international commerce”. He concluded on the next page that “it is not necessary ... that a plaintiff, in order to maintain a passing off action, must have a place of business or a business presence in Australia; nor is it necessary that his goods are sold here”, saying that it would be “sufficient if his goods have a reputation in this country among persons here, whether residents or otherwise”. Two points should be noted about this decision. First, the passing off claim nonetheless failed because the plaintiff was held to have an insufficient reputation in Australia. Secondly, the High Court of Australia has not considered this issue.

43.

The approach of the Supreme Court of South Africa in *Caterham Car Sales & Coachworks Ltd v Birkin Cars (Pty) Ltd* [1998] 3 All SA 175 (A) is to similar effect – see at para 16. Indeed, at para 19, *ConAgra* was cited with approval. However, once again, the claim failed on the ground of insufficiency of reputation.

44.

As to Hong Kong, PCCM points out that, in *Ten-Ichi Co Ltd v Jancar Ltd* [1989] 2 HKC 330, Sears J in the High Court on an application for an interlocutory injunction seems to have held that mere reputation was enough to found a passing off claim following an earlier Hong Kong High Court decision. However, more recently, the Court of Final Appeal in *In re Ping An Securities Ltd* (2009) 12 HKCFAR 808, para 17, cited Lord Oliver in *Reckitt & Colman* to support the (admittedly undisputed) proposition that a plaintiff “must establish a goodwill (in the country or region) in a business in the supply of goods or services” under the relevant get-up in order to maintain a claim in passing off.

45.

Finally, Singapore. In *Jet Aviation (Singapore) Pte Ltd v Jet Maintenance Pte Ltd* [1998] 3 SLR(R) 713, para 45, PCCM contends that Warren LH Khoo J in the High Court appears to have followed *ConAgra*.

I am not at all sure that he did: see at para 42. However, it is unnecessary to decide that question, because more recently, the Court of Appeal considered the issue in an impressively wide-ranging judgment in *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide Inc* [2013] SGCA 65, [2014] 1 SLR 911. After briefly considering most of the authorities to which I have referred (including the decision of Arnold J in this case), Sundaresh Menon CJ, giving the judgment of the court, explained at para 135 that the Singapore courts had “largely followed *Star Industrial*, holding that a foreign trader which does not conduct any business activity in Singapore cannot maintain an action in passing off here”, and that this “draws a clear distinction between goodwill and reputation”.

46.

However, as he explained in the next paragraph, this “hard line” approach has been softened in one respect in Singapore (citing *CDL Hotels International Ltd v Pontiac Marina Pte Ltd* [1998] 1 SLR(R) 975, para 58) namely where the plaintiff has started “pre-business activities”, such as “embark[ing] on massive advertising campaigns before the commencement of trading to familiarise the public with the service or product”. Sundaresh Menon CJ explained at para 138 that this was consistent with two English decisions, *WH Allen & Co v Brown Watson Ltd* [1965] RPC 191 and *British Broadcasting Corporation v Talbot Motor Co Ltd* [1981] FSR 228, a view which derives some support from the judgment of Dillon LJ in *Marcus Publishing plc v Hutton-Wild Communications Ltd* [1990] RPC 576, 584.

Discussion

47.

Although I acknowledge that PCCM’s case is not without force (as is well demonstrated by the reasoning in the judgments in *ConAgra*), I have reached the conclusion that this appeal should be dismissed on the same ground on which it was decided in the courts below. In other words, I consider that we should reaffirm that the law is that a claimant in a passing off claim must establish that it has actual goodwill in this jurisdiction, and that such goodwill involves the presence of clients or customers in the jurisdiction for the products or services in question. And, where the claimant’s business is abroad, people who are in the jurisdiction, but who are not customers of the claimant in the jurisdiction, will not do, even if they are customers of the claimant when they go abroad.

48.

It seems to have been the consistent view of the House of Lords and Privy Council from 1915 to 1990 that a plaintiff who seeks passing off relief in an English court must show that he has goodwill, in the form of customers, in the jurisdiction of the court. While it can be said that, in none of the cases discussed in paras 21-25 above was that point the main focus of attention, it nonetheless seems clear that that is what a succession of respected judges, many of whom had substantial experience in this area, considered to be the law. That conclusion is underlined by the reasoning and conclusion in the judgments in *Anheuser-Busch*, and indeed the first instance judgments discussed in paras 32-36 above.

49.

It is of course open to this court to develop or even to change the law in relation to a common law principle, when it has become archaic or unsuited to current practices or beliefs. Indeed it is one of the great virtues of the common law that it can adapt itself to practical and commercial realities, which is particularly important in a world which is fast changing in terms of electronic processes, travel and societal values. Nonetheless, we should bear in mind that changing the common law sometimes risks undermining legal certainty, both because a change in itself can sometimes generate

uncertainty and because change can sometimes lead to other actual or suggested consequential changes.

50.

In addition to domestic cases, it is both important and helpful to consider how the law has developed in other common law jurisdictions – important because it is desirable that the common law jurisdictions have a consistent approach, and helpful because every national common law judiciary can benefit from the experiences and thoughts of other common law judges. In the present instance, the Singapore courts follow the approach of the UK courts, whereas the courts of Australia (subject to the High Court holding otherwise) and South Africa seem to favour the approach supported by PCCM. The position is less clear in other Commonwealth jurisdictions. In the United States of America, the approach appears to be consistent with that of the courts below in this case. Thus in *Grupo Gigante SA De CV v Dallo & Co Inc* (2004) 391 F 3d 1088 the Court of Appeals for the 9th circuit said at p 1093 that “priority of trademark rights in the United States depends solely upon priority of use in the United States, not on priority of use anywhere in the world. Earlier use in another country usually just does not count”. Accordingly it does not appear to me that there is anything like a clear trend in the common law courts outside the UK away from the “hard line” approach manifested in the UK cases discussed in paras 21-26 and 32-36 above.

51.

Particularly in the light of what has been said in some of the cases discussed above, it appears that there are two connected issues which justify further discussion, namely (i) clarification as to what constitutes sufficient business to give rise to goodwill as a matter of principle, and (ii) resolution of the judicial disagreement as to the jurisdictional division of goodwill described by Lord Diplock in *Star Industrial*.

52.

As to what amounts to a sufficient business to amount to goodwill, it seems clear that mere reputation is not enough, as the cases cited in paras 21-26 and 32-36 above establish. The claimant must show that it has a significant goodwill, in the form of customers, in the jurisdiction, but it is not necessary that the claimant actually has an establishment or office in this country. In order to establish goodwill, the claimant must have customers within the jurisdiction, as opposed to people in the jurisdiction who happen to be customers elsewhere. Thus, where the claimant’s business is carried on abroad, it is not enough for a claimant to show that there are people in this jurisdiction who happen to be its customers when they are abroad. However, it could be enough if the claimant could show that there were people in this jurisdiction who, by booking with, or purchasing from, an entity in this country, obtained the right to receive the claimant’s service abroad. And, in such a case, the entity need not be a part or branch of the claimant: it can be someone acting for or on behalf of the claimant. That is why, as explained in *Athlete’s Foot*, the decision in *Panhard et Levassor* and the observations in *Pete Waterman* are compatible with the decision in *Alain Bernardin*.

53.

As to Lord Diplock’s statement in *Star Industrial* that, for the purpose of determining whether a claimant in a passing off action can establish the first of Lord Oliver’s three elements, an English court has to consider whether the claimant can establish goodwill in England, I consider that it was correct. In other words, when considering whether to give protection to a claimant seeking relief for passing off, the court must be satisfied that the claimant’s business has goodwill within its jurisdiction.

54.

It would be wrong to suggest that there is a rule of law that, whatever the point at issue, goodwill has to be divided between jurisdictions, not least because (unsurprisingly) we have not had an exhaustive analysis of all the circumstances in which goodwill may have to be considered by the court. However, it seems to me that, when it comes to a domestic, common law issue such as passing off, an English court has to consider the factual position in the UK. That is well illustrated by the fact that, even if PCCM's argument was accepted and it was enough for a claimant merely to establish a reputation, that reputation would still have to be within the jurisdiction.

55.

The notion that goodwill in the context of passing off is territorial in nature is also supported by refusal of judges to accept that a court of one jurisdiction has power to make orders in relation to the goodwill in another jurisdiction. I have in mind the decisions of the House of Lords in *Lecouturier v Rey* [1910] AC 262, 265 per Lord Macnaghten, with whom Lord Atkinson and Lord Collins agreed, and at pp 269-272 per Lord Shaw of Dunfermline, and the Privy Council in *Ingenohl v Wing On & Co (Shanghai) Ltd* (1927) 44 RPC 343, 359-360, per Viscount Haldane giving the advice of the Board. The territorial approach to goodwill is also apparent in the context of trade marks in *RJ Reuter Co Ltd v Mulhens* [1954] Ch 50, 89 and 95-96 (per Lord Evershed MR and Romer LJ respectively) and *Adrema Werke Maschinenbau GmbH v Custodian of Enemy Property* [1957] RPC 49, 54-55 and 59 (per Lord Evershed MR and Jenkins LJ). It is also worth mentioning that article 6 of the Paris Convention for the Protection of Industrial Property 1883 (last revised 1967 and last amended 1979) states, in para (1) that "registration of trademarks shall be determined in each country ... by its domestic legislation", and in para (3) that a duly registered mark is to be "regarded as independent of marks registered in other countries of the Union".

56.

My view on the two issues discussed in paras 49-53 above is supported by a brief extract from Lord Fraser's speech in *Erven Warnink* at p 755, where he said that "the meaning of the name in ... countries other than England is immaterial because what the court is concerned to do is to protect the plaintiffs' property in the goodwill attaching to the name in England and it has nothing to do with the reputation or meaning of the name elsewhere".

57.

Indirect support for this approach is also to be found in decisions of the Court of Justice of the European Union, which has emphasised in a number of decisions the need for "genuine use" of a mark, namely "to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services", and that this means "real commercial exploitation of the mark in the course of trade, particularly the usages regarded as warranted in the economic sector concerned as a means of maintaining or creating market share for the goods or services protected by the mark" - to quote from *Leno Marken BV v Hagelkruis Beheer BV* (Case C-149/11) EU:C:2012:816, para 29. Further, it is relevant to note that the CJEU has also held that "the mere fact that a website [advertising or selling the product or service concerned] is accessible from the territory covered by the trade mark is not a sufficient basis for concluding that the offers for sale displayed there are targeted at consumers in that territory" - *L'Oreal SA v eBay International AG* (Case C-324/09) EU:C:2011:474 [2011] ECR I-6011, para 64.

58.

It is also of interest that, even in the context of the single market, the CJEU has accepted that "because of linguistic, cultural, social and economic differences between the Member States, a sign

which is devoid of distinctive character or descriptive of the goods or services concerned in one Member State is not so in another Member State” – see *Junited Autoglas Deutschland GmbH & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (Case T-297/13) EU:T: 2014:893, para 31, citing *Matratzen Concord AG v Hukla Germany SA* (Case C-421/04) EU:C: 2006:164 [2006] ECR I-2303, para 25.

59.

Professor Wadlow has, in my judgment, correctly summarised the position in *The Law of Passing-off - Unfair Competition by Misrepresentation* 4th ed, 2011, para 3-131:

“The reason why goodwill is territorial is that it is a legal proprietary right, existing or not in any jurisdiction according to whether the laws of that jurisdiction protect its putative owner. Goodwill in the legal sense is therefore something more than bare reputation The distinction between goodwill in the legal sense and reputation in the everyday sense is like that between copyright and the underlying literary work. It may be surprising, and even inconvenient, that at the moment a literary work is reduced to writing tens or hundreds of legally distinct copyrights may simultaneously come into existence all over the world, but the nature of copyright as a legal right of property arising in any given jurisdiction from national legislation, common law or self-executing treaty means that it must be wrong to speak as if there were a single international copyright.”

60.

This analysis can be said with some justification to involve some fine distinctions, and on some occasions to lead to some difficult questions of fact and to result in some decisions which could appear rather harsh. However, any decision as to what a claimant must show in order to establish the first element of Lord Oliver’s trilogy of elements or requirements will involve fine distinctions, and will sometimes involve difficult or harsh cases. I am unconvinced that if we accept the conclusion of the courts below, supported by *Sky*, it would be likely to lead to more arguable unfairnesses or difficulties than if we adopted *PCCM*’s case.

61.

It is also necessary to bear in mind the balancing exercise underlying the law of passing off, which Somers J described in *Dominion Rent A Car* at p 116 as “a compromise between two conflicting objectives, on the one hand the public interest in free competition, on the other the protection of a trader against unfair competition by others”. More broadly, there is always a temptation to conclude that, whenever a defendant has copied the claimant’s mark or get-up, and therefore will have benefitted from the claimant’s inventiveness, expenditure or hard work, the claimant ought to have a cause of action against the defendant. Apart from the rather narrower point that passing off must involve detriment to the claimant, it is not enough for a claimant to establish copying to succeed. All developments, whether in the commercial, artistic, professional or scientific fields, are made on the back of other people’s ideas: copying may often be an essential step to progress. Hence, there has to be some balance achieved between the public interest in not unduly hindering competition and encouraging development, on the one hand, and on the other, the public interest in encouraging, by rewarding through a monopoly, originality, effort and expenditure – the argument which is reflected in Turner LJ’s observation at p 312 in *Maxwell v Hogg* to the effect that a plaintiff who has merely advertised, but not marketed, his product, has given no consideration to the public in return for his claimed monopoly. In the instant case, the assessment of the appropriate balance between competition and protection, which arises in relation to any intellectual property right, must be made by the court, given that passing off is a common law concept.

62.

If it was enough for a claimant merely to establish reputation within the jurisdiction to maintain a passing off action, it appears to me that it would tip the balance too much in favour of protection. It would mean that, without having any business or any consumers for its product or service in this jurisdiction, a claimant could prevent another person using a mark, such as an ordinary English word, “now”, for a potentially indefinite period in relation to a similar product or service. In my view, a claimant who has simply obtained a reputation for its mark in this jurisdiction in respect of his products or services outside this jurisdiction has not done enough to justify granting him an effective monopoly in respect of that mark within the jurisdiction.

63.

I am unpersuaded that PCCM’s case is strengthened by the fact that we are now in the age of easy worldwide travel and global electronic communication. While I accept that there is force in the point that the internet can be said to render the notion of a single international goodwill more attractive, it does not answer the points made in paras 51-59 above. Further, given that it may now be so easy to penetrate into the minds of people almost anywhere in the world so as to be able to lay claim to some reputation within virtually every jurisdiction, it seems to me that the imbalance between protection and competition which PCCM’s case already involves (as described in paras 60-62 above) would be exacerbated. The same point can be made in relation to increased travel: it renders it much more likely that consumers of a claimant’s product or service abroad will happen to be within this jurisdiction and thus to recognise a mark as the claimant’s. If PCCM’s case were correct, it would mean that a claimant could shut off the use of a mark in this jurisdiction even though it had no customers or business here, and had not spent any time or money in developing a market here - and did not even intend to do so.

64.

A rather different factor which militates against PCCM’s case is [section 56 of the Trade Marks Act 1994](#) which gives effect to article 6(bis) of the Paris Convention) and is concerned with “well-known marks”. By virtue of subsection (1), [section 56](#) applies to a mark which is owned by a person who is domiciled or has a business in a Convention country and which is “well-known in the United Kingdom”. [Section 56\(2\)](#) entitles such a person to “restrain by injunction the use in the United Kingdom of a trade mark which, or the essential part of which, is identical or similar to his mark, in relation to identical or similar goods or services, where the use is likely to cause confusion”. This provision is significant in the present context because it substantially reduces the likelihood of the sort of harsh results referred to at the start of para 60 above. It means that, where a mark which is used abroad and has a reputation in this country, it still can be protected if it satisfies [section 56\(1\)](#), even if the proprietor of the mark cannot establish any customers or sufficient goodwill in this jurisdiction.

65.

A more radical argument was advanced by Sky based on [section 56 of the 1994 Act](#), namely that, by that section, the legislature decided on the circumstances in which mere reputation in this country should be enough to justify protection being accorded to a mark used in another country, and that the courts should not extend the common law further than Parliament has thought it right to go. As Mr Hobbs put it, if Parliament has decided that domestic reputation is enough in the case of a “well-known” mark, it is not for the courts to extend the principle to marks which are not “well-known”. Another, perhaps starker, way of putting the point is that, if PCCM’s case is correct, it is hard to see

what purpose [section 56](#) of [the 1994 Act](#) would have. I see considerable force in that argument, but it is unnecessary to rule on it, and I prefer not to do so.

66.

Finally, a point which I would leave open is that discussed in the judgment of Sundaresh Menon CJ in Staywell (see para 46 above), namely whether a passing off claim can be brought by a claimant who has not yet attracted goodwill in the UK, but has launched a substantial advertising campaign within the UK making it clear that it will imminently be marketing its goods or services in the UK under the mark in question. It may be that such a conclusion would not so much be an exception, as an extension, to the “hard line”, in that public advertising with an actual and publicised imminent intention to market, coupled with a reputation thereby established may be sufficient to generate a protectable goodwill. On any view, the conclusion would involve overruling *Maxwell v Hogg*, and, if it would be an exception rather than an extension to the “hard line”, it would have to be justified by commercial fairness rather than principle. However, it is unnecessary to rule on the point, which, as explained in para 46, has some limited support in this jurisdiction and clear support in Singapore. Modern developments might seem to argue against such an exception (see para 63 above), but it may be said that it would be cheap and easy, particularly for a large competitor, to “spike” a pre-marketing advertising campaign in the age of the internet. It would, I think, be better to decide the point in a case where it arises. Assuming that such an exception exists, I do not consider that the existence of such a limited, pragmatic exception to the “hard line” could begin to justify the major and fundamental departure from the clear, well-established and realistic principles which PCCM’s case would involve. In this case, PCCM’s plans for extending its service into the UK under the NOW TV mark were apparently pretty well advanced when Sky launched their NOW TV service, but the plans were still not in the public domain, and therefore, even if the exception to the “hard line” is accepted, it would not assist PCCM.

Conclusion

67.

For these reasons, I conclude that PCCM’s appeal should be dismissed. Its business is based in Hong Kong, and it has no customers, and therefore no goodwill, in the UK. It is true that, according to the Judge, there are a significant number of people who are, temporarily or in the longer term, members of the Chinese community in the UK, with whom the mark NOW TV is associated with PCCM’s IPTV service. In so far as they are customers of PCCM, they are customers in Hong Kong, and not in the UK, because it is only in Hong Kong that they can enjoy the service in question, and the service is not marketed, sold or offered in the UK. The people in the UK who get access to PCCM’s NOW TV programmes via the websites, or on various international airlines, are not PCCM customers at any rate in the UK, because there is no payment involved (either directly by the people concerned or indirectly through third party advertising), and the availability of PCCM’s product in these outlets simply was intended to, and did, promote PCCM’s Hong Kong business. Basically, it simply amounted to advertising in the UK, and, as explained above, a reputation acquired through advertising is not enough to found a claim in passing off.

68.

Given that we are dismissing the appeal, it is unnecessary to consider Sky’s other arguments to support this conclusion which were the same as those which it would have raised before the Court of Appeal in its respondent’s notice (see para 13 above). If we had allowed PCCM’s appeal, because the Court of Appeal understandably did not address those issues we would have remitted the case to the Court of Appeal to consider them.