

[1988–90 Gib LR 184]

SCISSORS v. SCISSOR TRICKS LIMITED

SUPREME COURT (Kneller, C.J.): June 30th, 1989

Tort—passing off—use of name—court may restrain use of trade name similar to that of existing trader if use calculated to cause confusion—unnecessary for plaintiff to show economic damage or intent of defendant to confuse—if no evidence of confusion, test is whether person with average recollection of plaintiff’s trading style would confuse it with that of defendant

The plaintiff sought a permanent injunction restraining the defendant from using the word “Scissors” in its title.

The plaintiff’s firm was a hairdressing salon, which had been in business for 17 years. The defendant was a new limited company, incorporated on March 23rd, 1989, the Registrar of Companies having confirmed that no company name similar to Scissor Tricks Ltd. had previously been approved. The plaintiff and defendant both applied for a lease of premises in a new building, the plaintiff with a view to expanding its business and the defendant wanting to start a new business; the defendant, having applied first, was granted the lease, and started trading under the name “Scissor Tricks.” The plaintiff sought an interlocutory injunction to restrain the defendant from using the name “Scissor Tricks” until after the trial.

The plaintiff submitted that the defendant’s choice of name constituted passing off and should be restrained, as (a) the plaintiff had built up substantial goodwill under the name “Scissors”; (b) the defendant was misrepresenting itself, albeit unintentionally, as being associated with the plaintiff’s business; (c) there was evidence of confusion which was causing damage to the plaintiff’s goodwill; and (d) the necessary elements of the tort were made out even when the misrepresentation was unintentional, and when loss of business as a result of confusion among customers had not been proved.

The defendant submitted in reply that it believed that the name “Scissor Tricks” would cause no confusion, as it was different from “Scissors.”

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Held, granting the injunction:

The court had jurisdiction to restrain the use of a trade name similar to that used by an existing trader if it was calculated to deceive by causing such confusion between the businesses as was likely to lead people to conclude that they were in some way linked; it was unnecessary for the plaintiff to prove loss of business or intent on the part of the defendant to confuse consumers. If no evidence of public confusion were produced by the plaintiff, the test was whether a person with average recollection of the plaintiff's trading style would confuse it with that of the defendant. Here, evidence of confusion had been produced by the plaintiff, and the interlocutory injunction sought would be granted (paras. 8–9; para. 11; para. 12).

Cases cited:

- (1) *American Cyanamid Co. v. Ethicon Ltd.*, [1975] A.C. 396; [1975] 2 W.L.R. 316; [1975] 1 All E.R. 504; [1975] F.S.R. 101; [1975] R.P.C. 513; (1975), 119 Sol. Jo. 136, applied.
- (2) *Coca-Cola Co. of Canada Ltd. v. Pepsi-Cola Co. of Canada Ltd.*, [1942] 1 All E.R. 615; (1942), 59 R.P.C. 127; [1942] 2 D.L.R. 657, *dictum* of Lord Russell of Killowen applied.
- (3) *Dunhill (Alfred) v. Sunoptic S.A.*, [1979] F.S.R. 337, applied.
- (4) *Ewing v. Buttercup Margarine Co. Ltd.*, [1917] 2 Ch. 1; (1917), 86 L.J. (Ch.) 441; 34 R.P.C. 332; [1916–17] All E.R. Rep. 1012; 61 Sol. Jo. 443; 33 T.L.R. 321, applied.
- (5) *Granada Group Ltd. v. Ford Motor Co. Ltd.*, [1972] F.S.R. 103; [1973] R.P.C. 49, applied.
- (6) *Harrods Ltd. v. R. Harrod Ltd.* (1923), 41 R.P.C. 74; 40 T.L.R. 195, applied.
- (7) *Merchant Adventurers Ltd. v. M. Grew & Co. Ltd.*, [1972] Ch. 242; [1971] 3 W.L.R. 791; [1971] 2 All E.R. 657; [1973] R.P.C. 1; (1971), 115 Sol. Jo. 868, applied.
- (8) *Newsweek Inc. v. B.B.C.*, [1977] R.P.C. 441, applied.
- (9) *Woodford v. Smith*, [1970] 1 W.L.R. 806; [1970] 1 All E.R. 1091n; (1970), 114 Sol. Jo. 245, applied.

A. *Levy* for the plaintiff;
C.A. *Gomez* for the defendant.

1 **KNELLER, C.J.:** “Scissors” is a firm and its business is a hairdressing salon at the Rock Hotel. The Yeats brothers own it and in the past 17 years they have gathered many clients, a good reputation and much goodwill.

2 The brothers sought to set up another salon in the new building at Cornwall's Parade. So did “Scissor Tricks,” a limited company used by Brian Richardson and Jane Pittaway in their business as hairdressers. The landlord chose Scissor Tricks Ltd. because it asked for a lease first.

Scissors was upset when it saw Scissor Tricks there, and was affronted by Brian Richardson and Jane Pittaway's choice of name for their company.

3 The latter thought that it was an appropriate name for two hairdressers to give their company and, although they knew that the Yeats brothers called their firm "Scissors," they believed that their "Scissor Tricks" would cause no confusion, since it is different from "Scissors." The Registrar of Companies' computer print-out revealed that no name similar to Scissor Tricks Ltd. had been approved of before February 1st, 1989, so the Registrar of Companies certified that Scissor Tricks Ltd. was incorporated on March 23rd, 1989.

4 Scissor Tricks moved into Cornwall's Parade and covered its salon's windows with the words "Scissor Tricks." "Scissor" was in large red lettering and "Tricks" in smaller blue letters. Their logo and stationery were similarly printed. They were in business: the same business as Scissors, and therefore their rivals for the custom of the same population in this small area.

5 Many of Scissors' customers have congratulated it on opening a new salon on Cornwall's Parade. A bouquet of flowers sent through InterFlora and Anushka on Main Street came up to Scissors with the sender's card of congratulations on opening their hairdressing salon in Cornwall's Parade. The similarity of names, according to the Yeats brothers, was causing confusion.

6 So their solicitors wrote to Scissor Tricks Ltd. giving it notice that, if it did not stop using the name "Scissors" or a variation of it, proceedings would be constituted to make it do so because the reputation and goodwill of Scissors as a hairdressing salon in Gibraltar had to be safeguarded. This letter was ignored by Scissor Tricks Ltd.

7 On June 23rd, 1989, Scissors issued its writ endorsed with its statement of claim against Scissor Tricks Ltd. for a permanent injunction to restrain it from carrying on its business under any name which so nearly resembles "Scissors" as to be calculated to make people believe that the business is carried on by Scissors or is connected with it, to force the removal of that name from its articles, goods, advertisements and stationery, an inquiry into damages or an account and payment with interest of all sums found due together with the costs of the action.

8 Scissors also issued a summons for an interlocutory injunction in the same terms which was heard *inter partes*. The English guidelines for such injunctions are these:

(a) The court has jurisdiction to restrain a person from using a trade name similar to that used by an existing trader if it is calculated to deceive by causing such confusion between the two businesses as is likely to lead

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persons to conclude that the other's business is connected in some way with and is a branch of the existing trader's business.

(b) It is not necessary for the existing trader to establish that his customers have thereby been induced to become customers of the other trader.

(c) It has jurisdiction to do so before the other trader begins business: *Ewing v. Buttercup Margarine Co. Ltd.* (4).

(d) The court acts to prevent fraud intentionally committed (e.g. a deliberate attempt to obtain an unfair advantage from using the same name as the plaintiff) and prevents a man from carrying on business in such a way (whether he knows it or not) as to represent that his business is the business of another man: *Harrods Ltd. v. R. Harrod Ltd.* (6).

(e) If no evidence of confusion is produced by the plaintiff in allegations of infringement or unfair competition the test, *per* Lord Russell of Killowen in *Coca-Cola Co. of Canada Ltd. v. Pepsi-Cola Co. of Canada Ltd.* (2) ([1942] 1 All E.R. at 618), is: "would . . . a person with an average recollection of the plaintiff's . . . mark . . . confuse it with [the defendant's] mark?"

No Gibraltarian authorities were cited.

9 On the affidavits, with their exhibits, the submissions and those guidelines, the plaintiff has established a good arguable claim to the right that he seeks to protect. The serious issue to be tried is whether Scissor Tricks Ltd., despite Scissors' request to desist, has persisted in conducting its rival business with a name which someone with an average recollection of Scissors would probably confuse with that of Scissors. These interlocutory proceedings may be decisive, so the court must be cautious in the exercise of this discretion. The plaintiff, it seems, has the better case. See *Dunhill (Alfred) v. Sunoptic S.A.* (3); *Newsweek Inc. v. B.B.C.* (8).

10 Damages here, even assuming that Scissor Tricks Ltd. could pay them, would be difficult to assess and probably not a sufficient remedy since it is the reputation and goodwill of Scissors which is at stake: *Woodford v. Smith* (9); *Merchant Adventurers Ltd. v. M. Grew & Co. Ltd.* (7).

11 Scissor Tricks Ltd. is, comparatively speaking, the new activity and Scissors the established old one. The harm to Scissor Tricks Ltd. will be that until its use is vindicated at the trial it will be have to obliterate the word Scissors from its windows, logo, documents and stationery. The harm to Scissors may be that it will lose its customers or potential customers to whom Scissors is recommended because of this confusion. It is wiser to delay Scissor Tricks' activity under that name—though not altogether, of course—until the trial is over than to risk potential damage to Scissors: *Granada Group Ltd. v. Ford Motor Co. Ltd.* (5).

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12 So weighing one thing with another and doing the best I can under the principles in *American Cyanamid Co. v. Ethicon Ltd.* (1), in the exercise of my discretion I hold that the injunction must be granted.

13 Scissor Tricks Ltd., until further order, shall be restrained whether acting by itself or by its servants or agents or any of them or otherwise howsoever from using or carrying on its hairdressing business under the name, style and title of Scissor or Scissors or under any style or name which includes the word Scissor or Scissors or so nearly resembles it or them. Liberty to apply is granted to both parties.

Order accordingly.
