**RECORD OF INTERVIEW WITH MICHAEL EDENBOROUGH QC (Serle Court),**

**9 APRIL 2014**

This meeting was requested by Ana de Miguel in relation to the review that BIS is conducting on the enforcement of the Consumer Protection from Unfair Trading Regulations 2008 in respect of copycat packaging. Michael Edenborough authorised Ana to record the meeting and to utilise the note below as part of the evidence that she will publish along with the final report in September.

**Interview with Michael Edenborough, 9 April 2014**

1. In the view of Michael Edenborough, a private right of action for businesses in respect of cases of copycat packaging is a means to introduce clear water between themselves and any competing product. It is an anti-competitive measure. He then set out the main legal remedies available to businesses and their main requisites:

* We have the tort of passing off, which classically requires proof of consumer deception with regards to the trade origin between the originator and alleged copycat product. (In the case of switch selling, the operative misrepresentation is the material inducement of the potential customer to deal with the seller, even if by the time the sale occurs, the misrepresentation has been nullified.)
* In addition, there is the law of trade marks, which offers a higher degree of protection than that provided by passing off. Further, registration represents a gateway procedure that protects the public from anti-competitive behaviour.
* A registered trade mark offers to businesses greater protection because of the lesser proof required i.e. initial interest confusion suffices, rather than an operative, material misrepresentation.
* Furthermore, Article 5(3) Directive of Trade Marks extends protection against unfair competition whereby businesses can protect their well known brands (strictly, a mark with a reputation) against adverse association, namely taking, without due cause, unfair advantage of, or causing detriment to, the distinctive character or repute of the mark.

2. Michael Edenborough noted that most of these products only appear in specific stores. He then added that consumers are attracted because there are signals that indicate that the product does the same job or has the same characteristics, but it does not go as far as confusing consumers about the trade origin. In his view, this is a perfectly legitimate signal to give to a customer. It is providing information to the consumer so that they might form an informed choice about the characteristics of the product that they are seeking to purchase.

3. He raised a number of issues around the specific offence on copycat packaging. How would the limit between “legal” cues from the “illegal” ones be determined? How long would this right last? Due to this undetermined nature Michael Edenborough was sceptical about the merit of such approach. Furthermore, he questioned the reason for granting businesses a private right of action when they already can apply the annex 13(1) of the Unfair Commercial Practices Directive (UCPD). In his view, there is no need to extend passing off either. This is a wide enough tort to deal with deception, as the case of character merchandising 1984.[[1]](#footnote-1)

4. Michael Edenborough argued that the reputation of brand leaders may be tainted as a result of the known practice of some brand leader manufacturers to sell their same product to supermarkets who then sell it under their own brands.

5. He then alluded to the substitutive nature of some of these products. For example, the retailer ALDI offers 1,600 brands: top quality substitutes to brand leaders, for example, bake beans. Michael noted the massive size of some of these retailers may be one of the reasons why businesses do not sue them. Michael then commented that the customers are now savvier than 20 years ago when the issue of copycat packaging emerged for the first time; they are very often aware that they are buying a copycat product and they are content with it because that product will be likely to do the same job as the brand leader.

6. Therefore, the harm is caused only to businesses, who may see a proportion of their sales diverted and a loss of the market share. But this is a result of competition, and competition is good for the economy. It also provides consumers with more choice. Introducing this private right for businesses may stifle competition as well as reduce the choice available to consumers, particularly those on lower salary. For Michael Edenborough it is all about choice and the customer retaining some responsibility for their own actions. He believes that the crux of the issue is consumer deception, which is preventable. The consumers must take some degree of responsibility for their actions because they can take their own decisions. Even if there is some small amount of deception, the public interest may be enough to justify this practice in some cases (for example, in the case of descriptive marks, like *Office Cleaning Services*, were small differences will suffice to avoid liability, even if a small number of people remain deceived). Consumers must take some degree of responsibility on the process of making their choices.

7. The common law has over a 100 years or so developed a number of discrete remedies to deal with particular problems that have actually arisen in trade as problems, e.g. malicious falsehood. Michael Edenborough argues that there does not seem to be any gaps that need filling, and so a general anti-competitive law might well cover more than is necessary and have unexpected consequences.

8. The Geographical Indication (GI) system - under Reg 1151/2012 - is very wide and prevents even such labelling as, e.g. “Stilton-like”. There could be no deception or confusion on the part of the public, but this creates clear water between the genuine article and any competitors: actually, if prevents competitors indicating that there product is similar, and so denies the consumer a choice in practice. That is anti-competitive.

END

1. 1 12A.B.L.R.17. 1984 Character Merchandising [↑](#footnote-ref-1)