

Big Blak Saks obtains injunction against competitor in passing off action

19/09/2011 by [Penny Catley](#), and [Deborah Kessell-Haak](#)

Big Blak Saks New Zealand Limited makes black rubbish bags. Its competitor D&A Marketing Limited does too. In a successful application for an interim injunction before the High Court at Auckland, Big Blak Saks alleged that D&A copied its four best selling rubbish bag lines to take advantage of Big Blak Sak's goodwill.

Passing Off

While both a breach of the Fair Trading Act 1986 and passing off were alleged by Big Blak Saks, by agreement the application before Justice Williams concentrated on passing off as determinative of the issue under both causes of action.

In order to found a claim in passing off Big Blak Saks was required to show that:

- it had developed goodwill in the get up of its rubbish sacks such that Big Blak Saks is recognised by consumers as the origin of those goods;
- D&A had misrepresented its own rubbish sacks to the extent that the public would be confused into believing that D&A's rubbish sacks originated from Big Blak Saks;
- it had or was likely to incur damage by reason of that confusion.

Goodwill

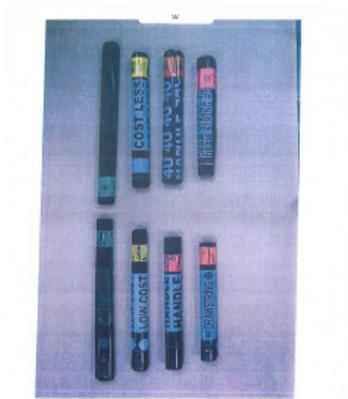
D&A argued that the features of Big Blak Sak's bags were all so mundane, common and functional that they could not create goodwill.

Justice Williams, however, disagreed holding that a combination of non-distinctive features can result in a distinctive get-up overall. Together these mundane elements produced a look that was quite distinct from any other product on the market. Over the 30 years that Big Blak Saks' bags had been sold without any alteration to the get-up, these elements had become distinctive of Big Blak Saks.

Similarity

When the products were compared, Williams J concluded that with the exception of one particular bag, which was an entirely different colour, it was at least arguable that a purchaser seeing D&A's products in isolation would believe they were bags produced by Big Blak Saks. Even when intermingled, it would not be obvious that the bags came from different suppliers.

When you look at the bags compared side by side in the figure below (D&A's product at the top and Big Blak Saks bags at the bottom), it is not difficult to see why Williams J came to the conclusion he did as to the similarity of the products.



Damage

Big Blak Saks' arguments in this regard concentrated on likely damage to its goodwill and reputation on the basis of the inferior quality of the D&A product and on trade diversion.

While the tests were less than comprehensive, Big Blak Saks was able to show through independent testing of the products that it was at least arguable that the D&A products were made of weaker plastic and were more easily punctured than the equivalent Big Blak Saks rubbish bags. Williams J accepted, therefore, that a consumer who had mistakenly purchased the D&A bags believing them to be produced by Big Blak Saks would find them to be inferior in quality with consequential damage to Big Blak Saks reputation.

While limited to sales data from only five supermarkets, the evidence as to loss of sales was sufficient to establish that Big Blak Saks' market position is likely to be diluted if D&A was allowed to continue to sell the allegedly infringing bags.

Lesson to be learned?

It is easy to bemoan the expense of enforcing intellectual property rights. However, in the fast moving consumer goods market where purchasing decisions are made at speed and there is a bewildering array of competitor products, the reputation you hold in your brand is one of the key elements in making sure consumers make repeat purchases of your products.

The success of Big Blak Saks in defending against an encroachment on its rights, even where the individual elements that went into its trade dress get-up were less than distinctive, is a salutary lesson in this regard. In the FMCG market you have to know where your intellectual

property lies, be willing to invest time and money into developing a good reputation in that intellectual property and then be willing to step up like Big Blak Saks and protect it.

It is a simple case of protect it...or lose it.