

## INITIAL INTEREST CONFUSION

By John McKeown

A recent decision of the English High Court has found that a claim for initial interest confusion was actionable in an action claiming trademark infringement.

### The Facts

The plaintiff alleged that the defendants had infringed two trade mark registrations and had committed passing off. The plaintiff relied on Article 9(1)(b) of the *Community Trademark Law Directive*. The article provides:

1. A community trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having its consent from using in the course of trade:

(b) any sign where, because of its identity with or similarity to the Community trade mark and the identity or similarity of the goods or services covered by the Community trade mark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trade mark.

### Initial Interest Confusion

Counsel for the plaintiff submitted that this article extended to include what is known to trade mark lawyers as “initial interest confusion.” “Initial interest confusion” is a doctrine that has been developed in the US. It has been defined by the International Trademark Association as follows:

Initial interest confusion is a doctrine that has been developing in US trade mark cases since the 1970s which allows for a finding of liability where a plaintiff can demonstrate that a consumer was confused by the defendant’s conduct at the time of interest in a product or service, even if that initial confusion is corrected by the time of purchase.

A well known example of initial interest confusion relates to a misleading billboard advertisement. Suppose that a competitor of video rental business A were to put up a billboard on a highway stating that the video rental business A was located at exit 7 of the highway, where the competitor’s business was located, when video rental business A was really located exit 8. Customers of video rental business A would not find it at exit 7 but seeing the competitor’s business may simply rent there. Even customers who prefer video rental business A may find it not worth the trouble to continue the search when the competitors’ business is right there. Customers are not confused in the narrow sense: they are aware they are purchasing from the competitor and have no reason to believe that the competitor is related to or in any way sponsored by video rental business A. However the fact that there is only initial interest confusion does not alter the fact that the competitor is misappropriating video rental business A’s acquired goodwill.

After having reviewed the application of the doctrine and its status in the various US circuits, the trial judge said that it was his impression that the doctrine was increasingly accepted in US law but remains both controversial in some quarters and uncertain as to its application and scope even where it is accepted.

The trial judge referred to five previous decisions in England which had accepted initial interest confusion and concluded that this authority supported the conclusion that initial interest confusion is actionable under Article 9(1)(b).

### **Confusion**

It remains to be seen whether a Canadian Court would apply the initial interest confusion doctrine under the *Trade-marks Act* since the definition of confusion contained in the Act contemplates confusion as to source. However, the doctrine could be applied in conjunction with a claim for passing off.