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Case No: A3/2013/2087 & A3/2013/2955

IN THE COURT OF APPEAL (CIVIL DIVISION)
ON APPEAL FROM THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
INTELLECTUAL PROPERTY
The Hon Mr Justice Birss
[2013] EWHC 2310 (Ch)

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 22/01/2015

Before:

LORD JUSTICE RICHARDS
LORD JUSTICE KITCHIN
and
LORD JUSTICE UNDERHILL

Between:

(1) Robyn Rihanna Fenty
(2) Roraj Trade LLC
(3) Combermere Entertainment Properties, LLC
- and -
(1) Arcadia Group Brands Limited
(2) Topshop/Topman Limited

Claimants/
Respond-
ents

Defendants/
Appellants

Martin Howe QC and Andrew Norris (instructed by Reed Smith)
for the Claimants/Respondents
Geoffrey Hobbs QC and Hugo Cuddigan (instructed by Mishcon de Reya)
for the Defendants/Appellants

Hearing dates: 18/19 November 2014

Approved Judgment

Lord Justice Kitchen:

Introduction

1. These proceedings concern a complaint by Rihanna, the world famous pop star, about the sale of fashion garments bearing her image.
2. The appellants (collectively “Topshop”) own and operate the well known Topshop retail fashion stores. In 2012 Topshop began to sell in its stores and through its website a fashion t-shirt displaying a clearly recognisable image of Rihanna. The image was derived from a photograph of Rihanna which was taken when she was on a video shoot for a single from her “Talk That Talk” album. Rihanna is looking directly at the camera with her hair tied above her head with a headscarf. It is, as the judge thought, a striking image and similar images had been used by Rihanna in connection with the Talk That Talk album. This particular photograph was, however, taken by an independent third party photographer. He, as owner of the copyright in the photograph, licensed the use of the image to Topshop.
3. Rihanna (and two of her corporate licensing vehicles) thereupon issued these proceedings and alleged that, whatever may have been the position in relation to the copyright in the photograph, the use of her image in relation to fashion clothing was not licensed and that a substantial number of people buying the t-shirt would think that she had endorsed it when, in fact, it was not connected with her at all. Rihanna contended that Topshop’s activities therefore amounted to passing off.
4. Topshop responded that Rihanna had not asserted that this particular image or any features of it had become distinctive of her or her clothing and that she was, by these proceedings, claiming an image right, that is to say a right to control the licensing of her name and likeness, and that no such right is recognised in English law.
5. The judge accepted that the mere sale by a trader of a t-shirt bearing an image of a famous person does not, in and of itself, amount to passing off. But he found the sale by Topshop of this t-shirt was, in the particular circumstances of this case, likely to lead people to buy it in the belief that it was a t-shirt which Rihanna had approved or authorised, and that this had caused her damage. He found that Topshop’s activities therefore amounted to passing off and he granted an injunction prohibiting Topshop from dealing in it any further without clearly informing prospective purchasers that it had not been so approved or authorised. It is against that decision and order that Topshop now appeals.

Background

6. Rihanna is one of the most popular recording artists in the world. In the seven years prior to the commencement of proceedings she sold around 30 million albums and 120 million singles. She performed songs she had recorded in five major tours and won over 200 awards, including five prestigious Grammy awards.
7. Rihanna also runs very large merchandising and endorsement businesses and over the years has had endorsement agreements with Nike, Gillette, Clinique and LG Mobile. The merchandising business was originally managed by a company known as Bravado and in 2010 and 2011 goods authorised by Rihanna and sourced through

Bravado were available in Topman stores which are owned and operated by companies within the group of which Topshop forms a part. Since 2012 this business has been managed by another company called Live Nation which expects to earn significant sums from the sale of conventional merchandise associated with her.

8. Rihanna's agreement with Bravado did not extend to fashion garments. However, Rihanna has also been very active in this sphere and has made considerable efforts to promote an association in the public mind between herself and the world of fashion, as the judge explained at [41]:

“...She promoted H&M's Fashion Against Aids clothing collection in January 2008, which involved her designing her own t-shirt, which was publicised as part of that exercise. In June 2008 through Combermere she entered into an agreement with Gucci in which she promoted Gucci goods including clothing, accessories and jewellery. She exercised control over which garments she would wear. In June 2011 she entered into an agreement with Armani relating to a women's wear collection for Autumn/Winter 2011 and Spring/Summer 2012. The Armani collaboration produced two capsule collections. Capsules are groups of garments produced by one designer which can be worn together in different combinations. One collection involved two styles of jeans, a leather biker jacket, a canvas bag and two t-shirts, one emblazoned with an image of Rihanna. The other had a similar collection of garments, with four t-shirts.”

9. Much of the clothing authorised and endorsed by Rihanna bears a particular and distinctive logo referred to in the proceedings as the “R slash” logo. It looks like this:



10. The R slash logo and the name “Rihanna” are used extensively on authorised goods, often together but sometimes separately. However, other authorised goods do not bear either of these marks, or at least not in a position such that they are likely to come to the attention of potential customers.
11. Overall, the judge found that by 2012 Rihanna was regarded as a style icon by many people, particularly young women aged between 13 and 30. He considered that such people are interested in what they perceive to be Rihanna's views about fashion. If they see Rihanna wearing or approving an item of clothing then they think it has been endorsed by her. In all these circumstances the judge found that Rihanna and her

associated companies had acquired a significant goodwill in relation to fashion clothing. He put it this way:

“46. The claimants have and had in 2012 ample goodwill to succeed in a passing off action of this kind. Furthermore in 2012 the fact that an item of clothing was a more design led fashion garment, rather than a lower quality simple plain t-shirt, would not be understood to rule out, in the mind of a purchaser, the idea that it was a Rihanna endorsed product or an item of authorised Rihanna merchandise. The scope of her goodwill was not only as a music artist but also in the world of fashion, as a style leader.”

12. Topshop is a fashion retailer with a worldwide reputation. It aims to market affordable fashion garments and support British fashion by using its public profile and popularity to raise awareness of up and coming British design talent. It has been described by one designer as signifying youth and modernity and evoking cool London. Over the years it has sold garments which bear images of famous persons, some of which have been authorised, and some of which have not. It sold the t-shirt in issue from about 6 March until 13 August 2012. About 12,000 units were sold in total. It was retailed at a price of £22.00 until near the end of its run and the comments received from customers were generally positive. Initially the t-shirt was described on-line as “RIHANNA TANK” and “Photographic Rihanna motif tank”. However, by 14 March, all reference to Rihanna had been removed, perhaps because Rihanna is a registered trade mark for clothing.

The judgment

13. The judge set out the background and then turned to what he considered to be the heart of the case, namely whether or not the activities of Topshop amounted to a misrepresentation. He explained that Rihanna’s case was that the presence of her image on the t-shirt in the circumstances of this case amounted to a misrepresentation which was likely to mislead potential customers. She relied upon the particular image, the way it was presented and the nature of the t-shirt itself, together with the position of Topshop as a major and reputable high street retailer. All of these circumstances created a real likelihood that a substantial number of persons would be deceived into thinking that the t-shirt was an authorised product and would, as a result, buy it.
14. Topshop did not dispute that Rihanna was a celebrity. It also accepted that she would be recognised as the subject of the image on the t-shirt. It contended that the t-shirt was plainly an item of fashion wear, not a piece of promotional merchandise and that consumers bought it because they liked the product and the image for their own qualities. Nothing on the swing tag or other labelling of the t-shirt made any suggestion that it had been authorised by Rihanna and so it had done nothing which could be said to amount to passing off.
15. In assessing these submissions the judge accepted at the outset that there was no evidence before him of any actual confusion. This was, he considered, relevant but not determinative. He then turned to the more general circumstances. In this regard he recognised that consumers were well aware of the merchandising and endorsement

activities of music artists but observed that this did not mean that consumers always wanted to buy products which those artists had authorised. They would often buy a garment bearing an image simply because they liked the look of it. Just the same applied to garments bearing images of Rihanna. Sometimes the circumstances would be such that consumers would believe that a garment bearing an image of Rihanna was authorised by her, but on other occasions they would not. He summarised the position in this way at [54]:

“...Taking the examples as a whole, I do not accept the existence of the various garments relied on is sufficient to have led customers or potential customers to believe that any garment bearing any image of Rihanna will necessarily be unauthorised by the artist.”

16. Turning to Topshop, the position was much the same. It is, the judge observed, a leading high street fashion retailer and consumers would not have been surprised to find goods on sale there which had been endorsed or approved by celebrities. Overall, however, its customers and potential customers had no positive expectation when they saw garments carrying recognisable images. They neither thought such garments were necessarily authorised by the celebrity concerned, nor did they assume that they were not.

17. Having dealt with the general circumstances in this way, the judge then proceeded to consider the specific relationship between Topshop and Rihanna. Importantly, he found that Topshop had made a considerable effort to emphasise its connection with various famous stylish people, including Rihanna. The judge placed particular emphasis on two matters. The first was a shopping competition in 2010 in which Topshop offered entrants the chance to win a personal shopping appointment with Rihanna at its flagship Oxford Circus store. The judge described it in these terms:

“56. ... There Topshop offered the entrants the chance to win a personal shopping appointment with Rihanna at the flagship Oxford Circus store. In doing this Topshop was providing a vehicle whereby Rihanna’s styling services were being put on offer to the public. Mrs Sauvaire sought to play down the significance of this event. I am sure it is true that Topshop engages in many larger promotional activities but I do not accept this event was a minor matter. The competition was run through Topshop’s website. Entry was open for four days. The entrants had to write (by email) and tell Topshop why they wanted a style consultation with Rihanna and their answers have to be seen with that in mind. Nonetheless a large number of very excited (presumably teenage and female) potential customers entered it. It was a success and will have had a public impact.”

18. The second concerned a visit by Rihanna to Topshop in February 2012, shortly before the t-shirt the subject of these proceedings was first put on sale. This was one of a number of occasions on which Rihanna chose Topshop garments and which Topshop publicised very effectively. This is how the judge put it:

“57. Mr Howe put a few other examples to Mrs Sauvaire in which publicity material emanating from Topshop referred to Rihanna. In them Topshop sought to point out to the world that Rihanna was wearing or choosing Topshop items. A good example arising a week or two before the t-shirt was on sale related to the visit by Rihanna to Topshop in February 2012. Whether, as the claimants submit but various Topshop witnesses denied, the event was leaked to the press by Topshop I will not decide because it does not matter. What is clear however is that Topshop’s staff in charge of its Twitter feed sought to take advantage of the event. The tweet, from @Topshop, reads:

“Ridiculously excited! @Rihanna is in our Oxford Circus store as we tweet. Ah, wonder what she’ll buy...”

58. Mrs Sauvaire estimated that Topshop’s Twitter account had something of the order of 350,000 followers at that time. Given the nature of Twitter, that does not mean that 350,000 people read this tweet but it is an indication of the scale of the distribution.

59. Mrs Sauvaire emphasised that the statements made by Topshop were factually true and I accept that. However although there have not been many occasions on which such statements have been made, they are telling nevertheless. The fact they were not part of a formal endorsement agreement does not matter. Topshop was seeking to emphasise the fact that Rihanna was wearing or thinking of wearing Topshop clothing.”

19. The judge considered these events were significant. In his view they revealed that Topshop had recognised and sought to take advantage of Rihanna’s public position as a style icon. Further, a substantial number of potential purchasers would have been aware of the shopping competition from 2010 and some would have been aware of the fact that Rihanna was shopping at Topshop in February 2012. There was, of course, nothing objectionable about these activities as such but they formed an important part of the background against which the impression created by the t-shirt had to be considered.
20. The judge then considered the t-shirt itself. He noted that it was a fashion garment and well up with what were then current trends and, importantly, that neither the swing tag nor the label carried the name Rihanna or the R slash logo. The image was, however, significant. It was, he explained, taken during the video shoot for the “We Found Love” single from the 2011 “Talk That Talk” album. This video was filmed in Northern Ireland and received a good deal of press attention in the United Kingdom in the light of the risqué clothing that Rihanna was wearing and because the owner of the land on which it was made complained about it. The judge then made the following important findings:

“67. The image is a striking one. On the garment it is oversized and shows the artist’s face and shoulders. She is looking directly at the viewer with her hair tied above her head with a headscarf. The images for the Talk Talk album show Rihanna with the same hairstyle and headscarf. Mrs Perez thought that her fans would be likely to think the image came from promotional material from the We Found Love video shoot. The fact Mrs Perez did not know much about the UK high street does not mean she was unable to give that evidence.

68. When I first saw the t-shirt I assumed the clothing being worn was a pair of denim dungarees although in fact the garment is a “bralet” albeit the image is placed in such a way that her midriff is not visible. Mr Howe submitted that the clothing visible in the t-shirt image was worn in the We Found Love video itself and would also be recognised. He invited me to watch the video. I watched it. I reject that point. There are many costume changes in that video and the garment is not prominent.

69. Nevertheless I think the relationship between this image and the images of Rihanna for the album and the video shoot would be noticed by her fans. This is an important point. This image is not just recognisably Rihanna, it looks like a publicity shot for what was then a recent musical release. To someone who knew Rihanna but did not know her current work, the image is simply one of the person concerned. However to her fans who knew her work, I think this particular image might well be thought to be part of the marketing campaign for that project.”

21. I must return to these findings for they form the basis for one of the grounds of appeal. However, for present purposes it is sufficient to note that the judge considered that Rihanna’s fans might well think the image was derived from the publicity material for the Talk That Talk album and formed part of the marketing campaign for it.
22. There followed an overall evaluation by the judge of the various findings which he had made up to this point. He considered that the fact that the t-shirt was a fashion garment and the further fact that it was on sale in a high street retailer did not assist one side or the other. However, the nature of the image itself was a fairly strong indication that the t-shirt might be authorised and approved by Rihanna herself. So also, the public links between Topshop and famous stars in general and, more importantly, Rihanna in particular, would enhance the risk of consumers believing the garment had been authorised by her. He recognised that the fact that neither the swing tag nor the neck label carried the Rihanna name or the R slash logo pointed against authorisation but, in his view, this was not sufficient to negate the contrary impression. He summarised the position this way:

“72. ... Although I accept that a good number of purchasers will buy the t-shirt without giving the question of authorisation

any thought at all, in my judgment a substantial portion of those considering the product will be induced to think it is a garment authorised by the artist. The persons who do this will be the Rihanna fans. They will recognise or think they recognise the particular image of Rihanna, not simply as a picture of the artist, but as a particular picture of her associated with a particular context, the recent Talk That Talk album. For those persons the idea that it is authorised will be part of what motivates them to buy the product. I am quite satisfied that many fans of Rihanna regard her endorsement as important. She is their style icon. Many will buy a product because they think she has approved of it. Others will wish to buy it because of the value of the perceived authorisation itself. In both cases they will have been deceived.”

23. Finally, the judge dealt with damage. He considered that if, as he believed to be the case, a substantial number of consumers were likely to be deceived into buying the t-shirt because of a false belief that it had been authorised by Rihanna then that would obviously damage her goodwill. It would result in a loss of sales to her merchandising business and also represent a loss of control over her reputation in the fashion sphere. It was, he thought, for her to choose which garments she endorsed. In all the circumstances, Topshop’s sale of the t-shirt without her approval amounted to passing off.

The appeal

24. Upon this appeal Topshop has been represented by Mr Geoffrey Hobbs QC and Mr Hugo Cuddigan, as it was before the judge. Mr Hobbs contends that the judge fell into error in the following four different respects.
25. First, the judge wrongly proceeded on the basis that there was no difference in law between an endorsement case and a merchandising case. Character merchandising generally serves to provide the products concerned with features of shape or get-up which become part of the make-up of the products themselves. It is not the province of the common law to create or confer exclusive rights in particular categories of product.
26. Second, the judge properly and correctly acknowledged that the sale of a garment bearing a recognisable image of a famous person does not, in and of itself, amount to passing off. However, the judge fell into error thereafter in failing to proceed on the basis that the law of passing off treats the use on garments of such images as origin neutral. So, Mr Hobbs continues, the claim for passing off in the present case should only have been entertained upon the basis that the market for garments carrying images of Rihanna was, at least in principle, a market which others were lawfully entitled to enter. Further, the injunction granted by the judge is founded upon the proposition that Topshop is answerable for a misrepresentation by omission, that is to say for failing clearly to inform prospective purchasers that the t-shirts were not approved or authorised by Rihanna. Once it is accepted, as it must be, that selling a garment with a recognisable image of a famous person does not, in and of itself, amount to passing off, any claim for misrepresentation by omission should have evaporated.

27. Third, the judge ought to have recognised and accepted that the absence of an image right is a matter of law and not a matter of fact. Further, he ought to have assessed the claim having regard to the perceptions of those persons for whom the presence of the image of Rihanna on the t-shirt was origin neutral, and not the perceptions of those persons who were liable to regard the presence of the image as an indication of authorisation. Indeed, had the judge assessed the issue from the correct perspective he would have been bound to find that the claim as pleaded and pursued disclosed no sustainable basis for a finding of liability.
28. Fourth, the judge fell into further error in finding Topshop liable for misrepresentation in the way that he did because Rihanna had never properly alleged or developed a case that the particular image in issue was in any way distinctive as a result of any marketing or promotional activity which she had ever carried out; that there was no admissible evidence that this image was in any way distinctive; and that the evidence upon which the judge relied had no probative value. In this connection Topshop also seeks permission to appeal against the decision and consequential order of the judge at a pre-trial review hearing which took place on 5 July 2013 concerning objections to the admissibility of the evidence contained in six of the witness statements served on behalf of Rihanna, including that of Mrs Perez, a member of Rihanna's management team, who gave the critical evidence upon which the judge relied.
29. I will deal with these various grounds of appeal in turn but must begin by setting out some basic principles. There is in English law no "image right" or "character right" which allows a celebrity to control the use of his or her name or image. Thus, in *Douglas & ors v Hello! Ltd & ors (No 3)* [2007] UKHL 21, [2008] 1 AC 1, two well-known film actors, Michael Douglas and Catherine Zeta-Jones, sought to prevent the publication and use of unauthorised photographs taken surreptitiously at their wedding. Lord Hoffmann (with whom Baroness Hale of Richmond and Lord Brown of Eaton-under-Heywood) agreed, said at [124]:

"There is in my opinion no question of creating an "image right" or any other unorthodox form of intellectual property. The information in this case was capable of being protected, not because it concerned the Douglases' image any more than because it concerned their private life, but simply because it was information of commercial value over which the Douglases had sufficient control to enable them to impose an obligation of confidence."

30. Similarly, Lord Nicholls of Birkenhead explained at [253]:

"Publication of wedding photographs in "Hello!" was not, *of itself*, improper exploitation of the reputation, name or likeness of the Douglases such as may be protected in some circumstances in the US: see *Corpus Juris Secundum*, vol 77, pp 591–592, para 51. Nor did "Hello!'s" publication of pictures of this event constitute "character merchandising" or, still less, a case of "false endorsement" as discussed by Laddie J in *Irvine v Talksport Ltd* [2001] 1 WLR 2355. Thus it is unnecessary to consider how far English law has developed, or should develop, in these fields."

31. Lord Walker of Gestingthorpe put it this way at [285]:

“Their claims come close to claims to a “character right” protecting a celebrity’s name and image such as has consistently been rejected in English law: see *Elvis Presley Trade Marks* [1999] RPC 567, 580–582, 597–598, and also Brooke LJ in the interlocutory appeal in this case [2001] QB 967, paras 74 and 75. The present limits of the law of passing off as a protection of a celebrity complaining of “false endorsement” were thoroughly reviewed by Laddie J in *Irvine v Talksport Ltd* [2002] 1 WLR 2355.”

32. Lord Walker continued at [293]:

“Although the position is different in other jurisdictions, under English law it is not possible for a celebrity to claim a monopoly in his or her image, as if it were a trademark or brand. Nor can anyone (whether celebrity or nonentity) complain simply of being photographed....”

33. A celebrity seeking to control the use of his or her image must therefore rely upon some other cause of action such as breach of contract, breach of confidence, infringement of copyright or, as in this case, passing off. However, as Mr Hobbs has properly reminded us, the law of passing off is not designed to protect a person against fair competition. Nor does it protect a person against the sale by others of the same goods or even copied goods. What it protects is goodwill and it prevents one person passing off his goods or services as those of another. As Lord Oliver of Aylmerton explained in *Reckitt & Colman Products Ltd v Borden Inc & Ors* [1990] RPC 341 at page 406, a claimant must establish three elements in order to succeed in such a claim. 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 particular name or get up under which the goods or services are offered to the public, such that the name or get up is recognised by the public as distinctive of the claimant’s goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the claimant. Third, he must demonstrate that he suffers or, in a *quia timet* action 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 claimant.

34. It is of course inherent in these propositions that, registered trade marks aside, no-one can claim monopoly rights in a word or a name. Conversely, however, no-one may, by the use of any word or name, or in any other way, represent his goods or services as being the goods or services of another person and so cause that other person injury to his goodwill and so damage him in his business. Further, it is enough that the goods or services are represented as being in some way connected or associated with that other person provided that the connection is a material one in the sense that it has caused or is likely to cause him such damage in his business.

35. The particular kinds of connection and association relevant to the present proceedings are those which arise in cases of character merchandising and endorsement. Laddie J provided this explanation of the distinction between them in *Irvine v Talksport Ltd* [2002] EWHC 367 (Ch), [2002] 1 WLR 2355 at [9]:

“... When someone endorses a product or service he tells the relevant public that he approves of the product or service or is happy to be associated with it. In effect he adds his name as an encouragement to members of the relevant public to buy or use the service or product. Merchandising is rather different. It involves exploiting images, themes or articles which have become famous. To take a topical example, when the recent film “*Star Wars Episode I*” was about to be exhibited, a large number of toys, posters, garments and the like were put on sale, each of which bore an image of or reproduced a character or object in the film. The purpose of this was to make available a large number of products which could be bought by members of the public who found the film enjoyable and wanted a reminder of it. The manufacture and distribution of this type of spin-off product is referred to as merchandising. It is not a necessary feature of merchandising that members of the public will think the products are in any sense endorsed by the film makers or actors in the film. Merchandised products will include some where there is a perception of endorsement and some where there may not be, but in all cases the products are tied into and are a reminder of the film itself. An example of merchandising is the sale of memorabilia relating to the late Diana, Princess of Wales. A porcelain plate bearing her image could hardly be thought of as being endorsed by her, but the enhanced sales which may be achieved by virtue of the presence of the image is a form of merchandising.”

36. This explanation reveals that character merchandising and endorsement are rather different in nature. As its name suggests, character merchandising encompasses a range of activities which share the common feature that they involve the licensing of the names or likenesses of famous characters, whether real or fictional. For example, it may be that there is a relatively simple licence in place, including, possibly, a licence of copyright material. Endorsement, on the other hand, describes one particular kind of relationship between the characters (or their creators) and the goods which bear their names or likenesses, and it implies authorisation and approval.
37. It is not necessary for the purposes of these proceedings to attempt to define all of the circumstances in which the law of passing off law may be invoked to prevent the unauthorised use of a name or likeness of a famous real or fictitious person, for here Rihanna contended that she had a reputation and goodwill in connection with her business activities and further, that the use of her image on the t-shirt amounted to a misrepresentation and was likely to deceive members of the public into believing it was approved of and authorised by her and so, in short, that she was happy to be associated with it and had endorsed it. Put another way, it was her case that the

misrepresentation that she was associated with the t-shirt made it more attractive and so played a material part in the decision of the public to buy it.

38. In my judgment this allegation did disclose a sustainable case in passing off. In substance Rihanna alleged that she had suffered damage to the goodwill in her business as a result of the misrepresentation, implied in all the circumstances, that she had endorsed the t-shirt. In the *Irvine* case Laddie J proceeded to consider the development of this area of the law before summarising the position in these terms:

“38. In my view these cases illustrate that the law of passing off now is of greater width than as applied by Wynn-Parry J in *McCulloch v Lewis A May (Produce Distributors) Ltd* [1947] 2 All ER 845. If someone acquires a valuable reputation or goodwill, the law of passing off will protect it from unlicensed use by other parties. Such use will frequently be damaging in the direct sense that it will involve selling inferior goods or services under the guise that they are from the claimant. But the action is not restricted to protecting against that sort of damage. The law will vindicate the claimant's exclusive right to the reputation or goodwill. It will not allow others to so use goodwill as to reduce, blur or diminish its exclusivity. It follows that it is not necessary to show that the claimant and the defendant share a common field of activity or that sales of products or services will be diminished either substantially or directly, at least in the short term. Of course there is still a need to demonstrate a misrepresentation because it is that misrepresentation which enables the defendant to make use or take advantage of the claimant's reputation.

39. Not only has the law of passing off expanded over the years, but the commercial environment in which it operates is in a constant state of flux. Even without the evidence given at the trial in this action, the court can take judicial notice of the fact that it is common for famous people to exploit their names and images by way of endorsement. They do it not only in their own field of expertise but, depending on the extent of their fame or notoriety, wider afield also. It is common knowledge that for many sportsmen, for example, income received from endorsing a variety of products and services represents a very substantial part of their total income. The reason large sums are paid for endorsement is because, no matter how irrational it may seem to a lawyer, those in business have reason to believe that the lustre of a famous personality, if attached to their goods or services, will enhance the attractiveness of those goods or services to their target market. In this respect, the endorsee is taking the benefit of the attractive force which is the reputation or goodwill of the famous person.”

39. After emphasising that character merchandising cases which do not involve any endorsement may raise rather different issues, Laddie J continued:

“46. It follows from the views expressed above that there is nothing which prevents an action for passing off succeeding in a false endorsement case. However, to succeed, the burden on the claimant includes a need to prove at least two, interrelated facts. First, that at the time of the acts complained of he had a significant reputation or goodwill. Second, that the actions of the defendant gave rise to a false message which would be understood by a not insignificant section of his market that his goods have been endorsed, recommended or approved of by the claimant. I shall turn to those two issues.”

40. I detect no criticism of Laddie J’s analysis in the opinions of the House of Lords in the *Hello!* case and I would respectfully endorse it. Indeed I did not understand Mr Hobbs to suggest that it represented anything other than an accurate statement of English law.
41. However, as the judge explained, it by no means follows that simply because the name or image of a celebrity appears upon a consumable commercial item, the public will assume that it has in some way been endorsed by that celebrity. A vivid example of this is provided by the case of *Elvis Presley Trade Marks* [1999] RPC 567. This concerned an application for the trade mark Elvis Presley in respect of toiletries by the business which was properly regarded as the successor to the merchandising business previously carried out by or on behalf of the rock and roll star. In the High Court, Laddie J decided that the application should not proceed to registration on the ground it was simply not distinctive. An appeal to this court was dismissed. As Robert Walker LJ explained (at page 585), the judge had rightly concluded that the mark had very little inherent distinctiveness. Members of the public purchased Elvis Presley merchandise not because it came from a particular source, but because it carried the name or image of Elvis Presley. No assumption could be made that the use of a well known name, whether of an individual celebrity, living or dead, or a fictional character, must have been franchised and licensed. The same point was made by Morritt LJ at page 594:

“Counsel for EPEI forcibly contended that such a conclusion would leave the door wide open to unscrupulous traders seeking to cash in on the reputations of others. That is true if, but only if, the mark has become so much part of the language as to be descriptive of goods rather than distinctive of their source. But in that event I can see no objection to any trader being entitled to use the description. In the field of memorabilia, which I consider includes consumer items bearing the name or likeness of a famous figure, it must be for that person to ensure by whatever means may be open to him or her that the public associate his or her name with the source of the goods. In the absence of evidence of such association in my view the court should be very slow to infer it.”

42. Simon Brown LJ also rejected the proposition that the public’s awareness of merchandising practices meant that they would always assume that products of famous personalities or fictitious characters came from a genuine source, that is to say the person himself or his estate or someone granted the relevant rights and, in the case

of fictitious characters, the creator or his successors. Each case must, he considered, be decided on its own facts. He concluded, at page 598:

“In addressing the critical issue of distinctiveness there should be no *a priori* assumption that only a celebrity or his successors may ever market (or licence the marketing of) his own character. Monopolies should not be so readily created.”

43. So the claimant in a case of this kind must make good his case on the evidence. He must show that he has a relevant goodwill, that the activities of the defendant amount to a misrepresentation that he has endorsed or approved the goods or services of which he complains, and that these activities have caused or are likely to cause him damage to his goodwill and business.
44. With these general principles in mind I turn now to consider Mr Hobbs’ submissions and begin with his contention that the judge failed properly to have regard to the distinction between merchandising and endorsement. Mr Hobbs has developed his argument as follows. Purchasers of t-shirts bearing images of famous pop stars buy them not because they believe that the garments have any material connection with the pop stars at all but simply because they want to wear a garment carrying a picture of their idol. Merchandising therefore carries with it no misrepresentation. Further, even if some members of the public do believe that there is in existence some sort of licensing arrangement with the pop star in question then it is most unlikely to have an effect upon their buying decision.
45. Mr Hobbs has here identified what to my mind are the two critical hurdles which a claimant must overcome in a claim for passing off in a merchandising case. First, it must be shown that application of the name or image to the goods has the consequence that they tell a lie. This requirement, which is closely allied to distinctiveness, will not be satisfied if the name or image denotes nothing about the source of the goods. Second, it must be shown that the lie is material. In many merchandising cases, the lie amounts to no more than a false suggestion that the goods are licensed and, as such, it may have no effect upon the buying decision. The importance of this aspect of the cause of action was emphasised by Millett LJ in *Harrods Ltd v Harrodian School Ltd* [1996] RPC 697 at 712-713:

“The relevant connection

.... In my judgment the relevant connection must be one by which the plaintiffs would be taken by the public to have made themselves responsible for the quality of the defendant’s goods or services. In *British Legion v. British Legion Club (Street) Ltd.* (1931) 48 R.P.C. 555 Farwell J. considered that the public would take the defendant club to be “connected in some way” with the plaintiff. But he explained this by saying that some persons would think that it was “either a branch of the plaintiff or a club in some way amalgamated with or under the supervision of the plaintiff *and for which the plaintiff had in some way made itself responsible*” (my emphasis).

This, in my opinion is the gist of the matter. In the *Bollinger* case [1978] R.P.C. 79 at page 99 Buckley L.J. described the relevant

representation as one calculated to mislead members of the public into a mistaken belief that

“the goods or services of the defendant or the defendant’s business are or is either (a) the goods or services or business of the plaintiff or (b) connected with the plaintiff’s business *in some way which is likely to damage the plaintiff’s in that business*” (my emphasis).

In the same case Goff L.J. said at page 117

“Not every kind of connection claimed will amount to a passing off ... On the other hand in my view there can be a passing off without representing that they are actually the well-known goods which the plaintiff produces or a new line which he is supposed to have started. It is sufficient in my view if what is done represents the defendant’s goods to be connected with the plaintiff *in such a way as would lead people to accept them on the faith of the plaintiff’s reputation*. Thus for example it would be sufficient if they were taken to be made under licence, *or under some trading arrangement which would give the plaintiff some control over them*, and I think Harman J had such ideas in his mind as appears from the passage at page 93 of the *Treasure Cot* case where he spoke of “something for which the plaintiffs were responsible” (my emphasis.)

It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant’s goods or services. A belief that the plaintiff has sponsored or given financial support to the defendant will not ordinarily give the public that impression. Many sporting and artistic events are sponsored by commercial organisations which require their name to be associated with the event, but members of the public are well aware that the sponsors have no control over and are not responsible for the organisation of the event. Local teams are often sponsored in similar fashion by local firms, but their supporters are well aware that the sponsors have no control over and are not responsible for the selection or performance of the players.”

46. In the present case I am entirely satisfied that the judge did have proper regard to the distinction between endorsement and general character merchandising. He began his analysis of the law by reminding himself that to make good any claim in passing off it must be established that the claimant has a goodwill, that the defendant has committed a misrepresentation and that the claimant has, as a result, suffered damage. He then referred to the decision of Laddie J in *Irvine* and acknowledged that it is not a necessary feature of merchandising that members of the public will think that the products in issue are in any sense endorsed by the celebrity or creator of the character in issue. He continued that it must be shown that the claimant has a relevant goodwill and that the impugned activity involves a false representation that there is a connection between the claimant and the goods in issue of a relevant kind, that is to say that the claimant is materially responsible for their quality. Finally, of course, the

belief which this false representation engenders in the minds of the purchasers must play a part in their decision to buy.

47. With all these principles in mind the judge then approached the facts of present case and made his findings. He considered that the use of this image would, in all the circumstances of the case, indicate that the t-shirt had been authorised and approved by Rihanna. Many of her fans regard her endorsement as important for she is their style icon, and they would buy the t-shirt thinking that she had approved and authorised it. In short, the judge found that the sale of this t-shirt bearing this image amounted to a representation that Rihanna had endorsed it. In my judgment the reasoning of the judge discloses no error of principle of the kind for which Mr Hobbs contends.
48. I turn now to the second ground of appeal and, in light of the foregoing, I can deal with this quite shortly. Rihanna has always accepted that she has no right in English law to prevent any use of her image. Further and specifically, she acknowledges that the sale of garments bearing recognisable images of her does not, in and of itself, amount to passing off. However, as Mr Martin Howe QC, who appears with Mr Andrew Norris on her behalf, submits, it does not follow that the image itself must be excluded from the matrix of facts which are said to give rise to an overall representation that she has endorsed the goods to which it has been applied. I am entirely satisfied that the proposition that a famous personality has no right to control the use of her image in general does not lead inexorably to the conclusion that the use of a particular image cannot give rise to the mistaken belief by consumers that the goods to which it is applied have been authorised. Here the judge came to the conclusion that the use of this particular image on fashion t-shirts sold by Topshop amounted to a misrepresentation by Topshop that the garments had been approved or authorised by Rihanna. There is no inconsistency between this finding and the proposition that Rihanna has no absolute right to prevent traders selling garments carrying her image. Nor is the judge's approach undermined by the form of injunction which he ultimately granted. It simply recognises that the vice in the impugned activities lay not in the use of Rihanna's image but in using it in such a way as to cause a misrepresentation. As Mr Howe submits and again I accept, Topshop is in effect contending not for the absence of an image right, but rather for a positive right to market goods bearing an image even if the use of that image in particular circumstances to particular customers gives rise to a misrepresentation. To accede to that submission would be to sanction a trade which results in the deception of the public.
49. In my judgment the third ground of appeal upon which Mr Hobbs relies is also misconceived. He argues that the judge ought to have assessed the relevant factors objectively from the perspective of those for whom the presence of an image on clothing was origin neutral. His failure to do so distorted his analysis because he attached importance to the image and the impression it created when this was something that Rihanna was not, in point of law, entitled to monopolise.
50. I believe the proposition for which Mr Hobbs contends would require this court both to shut its eyes to reality and to put on one side well settled principles. In any case of passing off the claimant must establish that he has a goodwill in his business under the name or other feature he is seeking to protect, and that the use of that name or other feature by another trader amounts to a misrepresentation which is calculated to

cause deception and so cause damage to his goodwill and his business. The claimant must therefore establish the likelihood of confusion of a substantial number of consumers but not necessarily all of them. Here the t-shirts in issue were being sold through Topshop's stores. It was therefore plainly relevant to consider potential customers who were both fans of Rihanna and prepared to shop in a Topshop store. So also the judge was bound to consider and take into account the activities of Topshop in publicising and promoting its connection with Rihanna over a period of time.

51. Mr Howe submits that the styling competition is particularly striking. I agree. It attracted over 1,300 entries over a four day period. Mr Howe has drawn our attention to the following illustrative examples which demonstrate the devotion of these potential customers to Rihanna and that they look to her not just as a singer but also as an authority on fashion and style:

“I want to get this thing because Rihanna is so inspirational. She is soo strong, confident, independant, beautiful, and overall amazing. She was strongest when she was weakest, she is funny when nothing is, and her music and amazing. I would be honoured to meet Rihanna, and have the day with her. I love her xxxx

Posted by: Kamila | Oct 01, 2010 at 09:13 PM

I would love to win a style consultation with Rihanna as she is so unique, stylish and know's just what to wear to look stunning, i really could do with her help as i seemed to have come to a standstill in what to wear and what not to wear, I'm hoping Rihanna can spice me up a little and bring my sparkle back.

Posted by: michelle waudby | Oct 01, 2010 at 09:13 PM

Rihanna's style is effortless cool, with a edgy, rockstar twist. I love the fact that she is not afraid to try something new or outrageous and that her style reflects her attitude. I try to do this with my own style where I mix hard styles with softer fabrics and Statement pieces to get across my relaxed, grunge/rock personality. She is a true style icon, who many people can learn from.

Posted by: Amber Davis | Oct 01, 2010 at 09:17 PM”

52. It is also telling that Topshop sought to publicise occasions on which Rihanna wore or chose Topshop items. One example is referred to by the judge at [57] and concerned a Twitter feed by Topshop to its followers that Rihanna was, at that particular moment in time, in the Oxford Circus store. The judge was entitled to find as he did that Topshop was both recognising and seeking to take advantage of Rihanna's public position as a style icon. No criticism could be levelled at Topshop for doing so but it

did form an important part of the background against which the impression created by the t-shirt had to be considered.

53. That brings me to the final ground of appeal which is, in summary, that Rihanna's case was never properly alleged in the pleadings or developed in the course of the proceedings, and that it was not supported by evidence of any probative value. In my judgment there is nothing in the first of these points. The statement of claim made clear that Rihanna contended that the image was unauthorised and had been taken whilst she was filming for one of her singles in Northern Ireland. This theme was developed in the statements of those witnesses who gave evidence on her behalf and then, in her opening written argument at trial, there appeared a full exposition of her contentions. She explained that that the image shows her dressed for her video for the single We Found Love from the Talk That Talk album; that the video shoot received lengthy press coverage, partly as a result of the complaints by the farmer upon whose land it was made; and that the image is recognisably her in that music video context.
54. In my judgment the second point has more substance and it has been developed by Mr Hobbs in a number of ways. First, he refers to the objections taken before trial to the entirety of certain witness statements and to particular paragraphs in the witness statement of Mrs Perez on the basis that they consisted of or comprised expert evidence for which no permission had been obtained and which ought therefore to be excluded from consideration in accordance with the provisions of s.2(3) of the Civil Evidence Act 1972 and CPR Part 35.4. This objection was considered by the judge at the pre-trial hearing on 5 July 2013. In his judgment given on that day ([2013] EWHC 1945 (Ch); [2013] FSR 37) he dealt with admissibility and excluded one witness statement but otherwise rejected the objections. Other case management issues were left over until a further hearing on 9 July. Ultimately, the only evidence admitted into the case and arguably relied upon by the judge was that contained in the statement of Mrs Perez and, as to that, the judge said this in his judgment of 5 July:

“47. ... Ms Perez is the main witness for the claimants. Most of it is not objected to. Some of Ms Perez's evidence which is objected to is duplicative of what I have dealt with already. It relates to the licensing business in the music and fashion area. The high point of Ms Perez's evidence on the question of whether it is expert evidence is paras. 81 to 83. Here effectively Ms Perez articulates the claimants' case why the T-shirt in this case is said to create a misrepresentation that it is authorised and why the claimant is concerned about it. I think this is natural evidence for the claimant to give. It is not expert evidence. It is difficult to see how the case could be articulated otherwise.”

55. In other words, the judge regarded the opinions expressed in paragraphs 81 to 83 as containing argument or, as he put it, an articulation of Rihanna's case. Paragraph 83 is the most important and reads (with the parts to which objection was taken shown in italics):

“83. *In my experience, the fact that the image that was used on the unauthorised t-shirt was taken on the occasion of a video shoot, and a well known one too, rather than when*

[Rihanna] was not working or at an event, means that fans are particularly likely to think that the image came from promotional material for that album, single or video. In this case the official booklet for the Talk That Talk album contains professional images of Rihanna. Included in those images are shots from the We Found Love video shoot. They show Rihanna with the same hairstyle and headscarf that she was wearing in the shot used for the Topshop t-shirt ... [Topshop's] actions were therefore likely to lead fans to think the t-shirt was authorised, particularly as it was sold under the mark RIHANNA TANK ..."

56. Then, on the first day of the trial, the judge gave another ruling in relation to Mrs Perez's witness statement. So far as material, he explained that he would attach no weight to evidence on what he described as the ultimate issue which he had to decide but that the "substance" of paragraph 83 was relevant.
57. The judge also dealt with paragraph 94 of the statement which reads in material part:

"94. ... Arcadia's unauthorised t-shirts bear an image of Ms Fenty in the distinctive clothing, hair and makeup of the authorised music video I have described above, thereby implying that this t-shirt is authorised and indeed part of that official authorised and approved promotion. Thus the sale of these shirts infringes her rights and is likely to deceive the fan and customer base. The typical potential shopper is likely to come from the younger age groups who listen to her music and perhaps follow her through social media. They may or may not be able to go to her concerts but they rely on the reputation of the place where they shop."
58. As to this, the judge ruled that the "first part" of this paragraph (by which I understand him to have been referring to the first two sentences) was argument and did not need to be cross-examined to. He considered that the second part was, however, relevant because it went to the circumstances of the trade. Mr Hobbs contends that Topshop was given to understand by this ruling that that it had no need to cross-examine Mrs Perez upon the assertions she had made in the first part of this paragraph and so did not do so.
59. Mr Hobbs then focuses his attention on the judgment and draws particular attention to the judge's findings and reasoning at paragraphs [67] to [69] which I have quoted above. Here, says Mr Hobbs, the judge has plainly accepted and relied upon the opinion of Mrs Perez and he has fallen into error in so doing for a whole series of reasons: he ought to have found that this evidence (along with all the other evidence the subject of the pre-trial objection) was expert evidence for which no permission had been sought or obtained and so he should have excluded it; he had ruled at the outset of the trial that this evidence was an expression of opinion on the ultimate issue and that he would place no reliance upon it and that there was no need for it to be cross-examined to, and yet he proceeded to do precisely that, indeed it was an essential foundation for his ultimate finding; and finally, Mrs Perez had no proper basis for expressing this opinion in any event.

60. These are powerful submissions and it seems to me that they have particular force in relation to the last two sentences of paragraph [67] of the judgment which bear repetition at this point:

“Mrs Perez thought that her fans would be likely to think the image came from promotional material from the We Found Love video shoot. The fact that Mrs Perez did not know much about the UK high street does not mean she was unable to give that evidence.”

61. Here I believe Mr Hobbs can fairly complain that, if nothing else, the judge has focused upon an expression of opinion by Mrs Perez having earlier ruled that it was argument and not something that needed to be cross-examined to. Nevertheless and despite the legitimacy of this particular complaint, I have come to the conclusion that the critical paragraphs of the judgment, that is to say [67] to [69], must be considered as a whole and that the real substance of them is clear. The judge found on the evidence, as I believe he was entitled to, that the image itself is striking because it is oversized and shows Rihanna’s face and shoulders; that Rihanna is looking straight at the camera with her hair tied above her head in a head scarf, in other words that she is in a pose; and that similar images had been used for the recent Talk That Talk album and associated video. It seems to me that, having come this far, the judge was also entitled to go on and make the finding that he did at paragraph [69], namely that the relationship between this image and the images for the album and video would be noticed by her fans. Indeed the nature of the image may be thought to have made it very likely indeed that it would be taken to be an authorised publicity shot for what was then her recent musical release. I am therefore entirely satisfied that, however inappropriate the inclusion in paragraph [67] of the reference to the opinion of Mrs Perez may have been, it had no effect upon the conclusion to which the judge came. In these circumstances it is not necessary and I do not believe it would be appropriate to embark upon a consideration of whether and to what extent evidence of trade practice, trade usage, consumer behaviour and consumer perception constitute expert evidence to which the provisions of s.2(3) of the Civil Evidence Act 1972 and CPR Part 35.4 apply.
62. It follows that the judge was entitled to find that the sale by Topshop of the t-shirt amounted to passing off. I would therefore dismiss the main appeal and refuse permission to appeal against the judgment of 5 July 2013.

Lord Justice Underhill:

63. I agree that the appeal should be dismissed, and that permission to appeal against Birss J’s decision of 5 July 2014 should be refused, for the reasons given by Kitchin LJ. I am bound to say that I regard this case as close to the borderline. The judge’s conclusion that some members of the relevant public would think that the t-shirt was endorsed by Rihanna is based essentially on two things - her past public association with Topshop (as described by Kitchin LJ at paras. 17-18) and the particular features of the image itself, which is apparently posed and shows her with the very distinctive hairstyle adopted in the publicity for Talk That Talk. I do not believe that either by itself would suffice; in particular, Rihanna’s association with Topshop does not seem to me to have been such as to weigh very heavily in the balance. But the judge considered the question very carefully, taking due account of the factors going

the other way, and in my view he was entitled to find that the two features in combination were capable of giving rise to the necessary representation.

Lord Justice Richards:

64. I agree with both judgments.