

IN THE SUPREME COURT OF JUDICATURE OF JAMAICA

CLAIM NO. 2011 CD 00006

BETWEEN	SANDALS RESORT INTERNATIONAL 2000 LIMITED	1 ST CLAIMANT
AND	SANDALS RESORT INTERNATIONAL LIMITED	2 ND CLAIMANT
AND	HORACE PETERKIN	1 ST DEFENDANT
AND	PETERKIN HOSPITALITY SERVICES LIMITED	2 ND DEFENDANT

Mrs M. Georgia Gibson-Henlin and Ms Faith Hall instructed by Henlin Gibson-Henlin for Claimant/Applicants.

Mr Nigel Jones instructed by Nigel Jones and Co for the Defendant/Respondents.

Civil Procedure – Injunction - Application to prevent sale of book – Breach of trademark alleged – Breach of confidence alleged –Whether serious question to be tried - Whether pre-trial restraint of publication ought to be granted

30 May, 27 and 29 June and 13 July 2011

BROOKS J

On or about 11 June 2010 Mr Horace Peterkin was fired from his employment. Shortly thereafter, he was briefly hospitalised in a psychiatric facility. There, he says, he wrote a book about his experiences at his former place of employment. By 30 November 2010, he had, through a company for which he is the principal, published the book. It is titled:

“The Day I Went To Work In My Underpants
My Sandals Story”

Sale of the publication commenced and it was advertised on a particular website on the internet. Mr Peterkin’s former employer, Sandals Resort International Limited (SRI) and

its parent company, Sandals Resort International 2000 Limited (SRI 2000) are, however, incensed by the book. These companies will hereafter together be referred to as “the claimants”.

The claimants have filed the present claim, seeking orders preventing further sales of the book. They assert that it has been published in breach of confidence and misuses their private information. They also complain that it infringes their proprietary rights in their registered and common law trademark, “Sandals”.

Mr Peterkin and his company Peterkin Hospitality Services Ltd (PHD), hereinafter together called “the defendants”, reject those assertions. They state that the book describes Mr Peterkin’s personal experiences and that nowhere is it purported to be “passed off” as a product of Sandals or to have been endorsed by Sandals. The defendants further assert that Mr Peterkin is not contractually bound to keep confidential, any information gleaned during his employment.

This judgment is in respect of an application by the claimants for an injunction to prevent the sale of the book, until the trial of the claim. The main issues at this stage are, firstly, whether it is arguable that the publication is in breach of the Sandals trademark and secondly, whether it is arguable that there is a breach of confidence, either of which situation justifies restricting Mr Peterkin’s right of freedom of expression. It must be borne in mind at this stage that this is not a trial of the action.

Passing-off

Mrs Gibson-Henlin, appearing for the claimants, correctly stated that “the essence of the tort of passing-off is the question of confusion”. Learned counsel cited the judgment of Rattray P in the locally decided case of *McDonald’s Corporation v*

McDonald's Corporation Ltd (1996) 55 WIR 226. In his judgment the learned president quoted, with approval, from the judgment of Lord Oliver of Aylmerton in *Reckitt and Colman Products Ltd v Borden Inc* [1990] 1 All ER 873 which included the following passage (at page 880):

“... The law of passing-off can be summarised in one short general proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such action has to prove in order to succeed. 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 identifying “get-up” (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognized by the public as distinctive specifically of the plaintiff's goods or services. Second, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. 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 plaintiff.” (Emphasis supplied)

This is a sufficient statement of the law for these purposes. I gratefully and respectfully adopt the statement as being correct.

In the instant case, there is no doubt in my mind that, from the title on the cover to the last page of text, the word “Sandals” refers to the group of companies and their constituent members which bear that name. Despite that, however, there was, in my view, no reference which could be said to imply that this work was a Sandals product or a Sandals-approved product.

American Cyanamid and it is that very language which Lord Diplock eschewed when he said, at page 510 c of the report of *American Cyanamid*:

“...The use of such expressions as ‘a probability’, ‘a prima facie case’, or ‘a strong prima facie case’ in the context of the exercise of a discretionary power to grant an interlocutory injunction leads to confusion as to the object sought to be achieved by this form of temporary relief. The court no doubt must be satisfied that the claim is not frivolous or vexatious; in other words, that there is a serious issue to be tried.”

It will, therefore, be the procedure set out in *American Cyanamid*, bearing in mind the guidance of the Privy Council in *National Commercial Bank Jamaica Ltd v Olint Corp. Ltd* PCA 61 of 2008 (delivered 28 April 2009), which will be utilised in this analysis.

Is there a serious issue to be tried?

As has been acknowledged above, there is an established cause of action for breach of confidence, although there is some dispute as to its juridical basis. In cases involving employees entrusted with confidential information, there is good ground for categorising a breach of confidence as a breach of contract. The action may, however, be also categorised as depending on the “broad principle of equity that he who has received information in confidence shall not take unfair advantage of it” (see *Seager v Copydex Ltd* [1967] 1 WLR 923).

The learned editors of *Clerk and Lindsell on Tort* 19th Ed. at paragraph 28-05, in distilling the principles from the authorities, opine that there are three requirements for liability for breach of confidence. All three requirements must be satisfied for the claimant to be successful. The first is that the subject information must have the “necessary quality of confidence about it”. The second is that “the information must have been imparted in circumstances importing an obligation of confidence”. The third

requirement is that there must be “an unauthorised use or disclosure of that information”. In addition to these three, the learned editors also opine that “a claimant must at least show apprehended damage in future, if an injunction is to be granted”. These principles are also to be gleaned from the *Coco* case cited above, and I respectfully agree that those statements accurately state the basic principles which are applicable to the instant case.

In assessing the instant application I bear in mind that I am not conducting a trial of the claim and therefore no detailed exposition of the book is required or desirable. It will be sufficient to outline two broad areas. Firstly, that Mr Peterkin’s contract of employment, in respect of one of his postings with Sandals, was in the form of a letter of offer of employment, to which Mr Peterkin signed his acceptance. The letter outlined the “terms and conditions of [his] engagement”. These included:

“CONFIDENTIALITY:

Except in the proper course of your duties, you shall not divulge to any person, firm or company, and shall use your best endeavours to prevent the unauthorized publication or disclosure of this Company or any of its dealings, transactions or affairs or any such confidential information concerning any of its Subsidiaries or Associated Companies or of any of its clients. In addition both parties shall execute the attached Confidentiality Agreement.”

I should state that no such Confidentiality Agreement was exhibited. There was an allegation that it could not be found.

Secondly, Sandals claims that the types of confidential information secured by Mr Peterkin in the course of his employment are basically twofold:

- a. that the nature of their couples-only resorts carry, “at least a prima facie obligation of confidence” and that revealing information about guests “could damage [Sandals’] concept and image”, and

- b. that as general manager of its resorts, Mr Peterkin would have been exposed to “confidential material since he was responsible for the planning, strategic management and general operations of the resorts”.

According to Mrs Gibson-Henlin, Mr Peterkin, “has throughout his book disclosed the plans, strategies, activities, guests’ details and information and staff policies gained in confidence during the course of his employment with” Sandals. According to learned counsel, Mr Peterkin “has exposed stories of the guests as well as photographs of himself with guests in the infringing material – he has disclosed sensitive encounters with or among guests”.

Having read the book, I cannot agree with learned counsel’s categorization of the material. In my view, in respect of the guest information, there is very little that goes beyond the “trivial tittle-tattle” which, Megarry J in *Coco* said, equity ought not to be invoked to protect. I also find that there is nothing revealed about Sandals’ operations which could truly be deemed confidential. Mr Peterkin is generally quite complementary of Sandals and its principal in terms of the strategies which are used in their operations but there are little or no details which are revealed which could truly be termed confidential. To the extent that strategies are revealed, it seems to me that they are matters which are already common knowledge. It appears to me therefore that Sandal has failed to show that the subject information has the “necessary quality of confidence about it”. Having failed on the first of the three essential requirements, I need not consider the others. For these reasons, I find that there is no serious question to be tried.

It may be, however, that a trial judge may take a view different from mine and in that regard I shall consider the next aspect stipulated in *American Cyanamid*.

Whether damages are an adequate remedy?

Assuming Mrs Gibson-Henlin to be correct, that Sandals' prospective guests may shy away from Sandals' resorts for fear of having their privacy invaded, I would agree that it would be very difficult if not impossible to calculate the financial loss which would result from the loss of that business. It is not feasible, to my mind, that any of Sandals' competitors, reading or becoming aware of the contents of the book, could affect Sandals' viability. However, I accept, if that were so, that damages would not be an adequate remedy.

Other aspects of the balance of convenience

I unhesitatingly accept that in considering the other aspects of the balance of convenience, that whereas Sandals would be able to honour its undertaking as to damages, Mr Peterkin and his company may not be able to compensate Sandals for the severe loss which Mrs Gibson-Henlin predicts would result from the general sale of the book. It is arguable that Mr Peterkin would have had better sales of the book while his contretemps with Sandals was still topical, but it is not impossible to calculate a level of compensation for loss of sales during the time of the imposed restraint.

It is at this point that the guidance from their Lordships in the *Olint* case becomes specifically relevant. Having gone through the steps set out in *American Cyanamid* the judge considering the application for the interim injunction must then look at the case as a whole and assess whether, if the interim injunction were granted, the court would, at the end of the trial of the claim, view it as having been rightly granted. Their Lordships said at paragraph 16 of the judgment:

“...The purpose of such an injunction is to improve the chances of the court being able to do justice after a determination of the merits at the trial. At the

interlocutory stage, the court must therefore assess whether granting or withholding an injunction is more likely to produce a just result.”

In my view the just result would be for Mr Peterkin and his company to be allowed to proceed with the marketing and sale of the work.

Conclusion

The complaints which Sandals have raised about Mr Peterkin’s book are, in my view, without substance. Mr Peterkin should not be prevented from marketing and selling his work on the strength of those complaints, or lack thereof. For those reasons, on 27 June 2011, I did not grant Sandals’ application for the injunction but promised to put my reasons in writing. Accordingly, I ordered at the time:

- “1. The injunctions granted on 1 March 2011 are not extended. Reasons in writing shall be delivered at a later date;
2. The defendants are at liberty to market and sell the book “The Day I Went to Work in My Underpants” in any format whatsoever until further order of this court;
3. Costs of the application are awarded to the defendants to be taxed if not agreed.”

On 29 June, on the application of Sandals’ counsel, I ordered a temporary extension of the injunction in order to facilitate the appellate process. The orders were as follows:

1. Leave to appeal is granted;
2. The injunction granted on 1 March 2011 is further extended until 10 August 2011;
3. Costs to be costs in the claim.