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The Importance of Trademarks Protection in Nigeria

BY

IBIJOKE PATRICIABYRON*

Abstract

This article examines the importance of trademarks in Nigeria and the need for the country to update its trademark law in line with the modern trend. The current legislation on trademarks in Nigeria is the Trade Marks Act which has been in existence since 1965 without any substantial amendment and it is a replica of the United Kingdom Trade Marks Act, 1938. Trademark protection in Nigeria is still deficient in aspects such as service marks, trade dress and the non-recognition of other instances of trademark infringement. In terms of the Act, Nigeria recognises only identical or similar goods but it is lacking by not including other types of trademark infringement. This article examines not only service marks and trade dress but it also highlights that counterfeiting is a type of trademark infringement that should be appropriately addressed. Other types of trademark infringement include parallel importation and dilution but for the purposes of this paper, particular reference will be made to trademark counterfeiting. Also, the use and development of technology has made counterfeiting even more dangerous. These areas are considered the core of any law on the protection of trademarks and this will be discussed in the article.

1. Introduction

Trademark (otherwise known as a "mark") globally, serves as a signal notifying consumers as to the origins or manufacturer of specific goods. A trademark owner has exclusive right to use the trademark throughout the territory of a particular state and this right may have an indefinite duration. The trademark enables the owner to build goodwill and reputation in its enterprise and to prevent others from misleading consumers by false association with an enterprise, with which they are not connected.¹

Trademark, like other branches of intellectual property, is not yet a well-known concept in Nigeria. There is ignorance on the rules that govern trademarks and their use in the country.² A trademark identifies a seller's goods and distinguishes

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¹ McCarthy, J.T., *McCarthy on Trademarks and Unfair Competition*. 4th ed.. (Thomas Reuters, 2004) 26: 1-4, 29:1-7

² Olugbemiro, A., "Trademark Protection: An Appraisal". (2006) (Accessed December 20, 2016), from seahipai.org/journal-cy-dec=2015-IJBLR-D-7-2015.pdf.

them from others, associates the goods with the provider, serves as a representation of a certain level of quality and is a strong instrument in advertising.³ When consumers are able to associate a known mark with goods or services from a particular source, there is reliance on the mark and this would serve as a signal of the quality of such goods and services.⁴

Trademarks enhance the economic efficiency of the marketplace by “lessening consumer search costs by making products and producers easier to identify in the marketplace,” and “encouraging producers to invest in quality by ensuring that they, and not their competitors, reap the reputation-related rewards of that investment.”⁵ Hence, the market efficiency benefits both the consumer and the owner of the trademark. The mark thus becomes a sign of “consistent source and quality.”⁶ The end result being that trademarks enables customers to easily recognise products or services that are able to meet their needs and expectations. Trademarks are considered economically beneficial since they help to solve the information asymmetry between sellers and buyers which has great impact on the economy.⁷

Non-registration of trademarks creates confusion especially where two similar trademarks are used in the same market. The appropriator of a trademark may therefore benefit from the goodwill that has been established by the creator of the trademark.⁸ When a product has not been registered and the products are similar to other products, it would create confusion amongst consumers when a mark they think they know and recognize does not actually represent the source of the good they understood it to represent. If this were to occur, the end result is that the goodwill of the owner of a trademark can be irreparably damaged.⁹ Where goods are similar to other goods, trademark infringement could occur. Trademark infringement is a form of counterfeit whereby a counterfeit mark is used in a way that makes it identical to or substantially resembles a registered mark.¹⁰

³ McCarthy, *op. cit.*, at 1-7.

⁴ *Ibid.*

⁵ Beebe, B., “The Semiotic Analysis of Trademark Law” (1995) 51 *UCLA Law Review*. 621, at 623. *Accord* *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 163–64.

⁶ Klieger, R.N., “Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection” (1997). 58 *Pittsburgh Law Review* 789, 790; cf. Lemley, M.A. and McKenna, M., “Irrelevant Confusion” (2010) 62 *Stanford Law Review* 413, at 414.

⁷ Cela, M., “The Importance of Trademarks and a review of Empirical Studies”. (2015) *European Journal of Sustainable Development*. 3-4, 125-134. Doi: 10.14207/ejsd.2015.v4n3p125. ISSN: 2239-5938. (Accessed December 30, 2016) from <http://ejs.ecsdev.org/index.php/ejsd/article/viewFile/>

⁸ McCarthy, J.T., *McCarthy on Trademarks and Unfair Competition*. 2004. 4th Edition. (Accessed August 12, 2016) from <https://www.carswell.com/product-detail/Mccarthy-on-Trademark-and-Unfair-Competition>

⁹ McCarthy, J.T. *ibid.*

¹⁰ Shyllon, F., *Intellectual Property Law in Nigeria* (Studies in Industrial Property and Copyright) Vol. 21. (Max Planck Institute for Intellectual Property, Competition and Tax Law, Munich, 2003) 211.

Counterfeiting is the act of unlawfully imitating or reproducing items protected by the law of trademarks by representing them as originals. This of course is usually epitomized in goods illegally bearing registered/well-known trademarks.¹¹

In the various commercial and industrial arena, a trademark is fundamental due to the basic changes in the intensely competitive international markets in consumer goods.¹² The primary reasons for the existence and protection of trademarks are that they facilitate and enhance consumer decisions; and they create incentives for firms to produce goods of desirable qualities, though not observable before purchase.¹³ Trademark protection therefore exists to prevent confusion over the origins or manufacture of particular products or services in a specified commercial area as long as there is no likelihood of confusion.¹⁴

In a simpler sense, the purpose of trademark protection is to permit firms to establish or maintain goodwill, and to preserve their reputation among consumers.¹⁵ At the same time, trademark law ensures that the goods of the original owner are not passed off as that of another and in such a manner as to mislead the public into believing that the defendant's product or business is that of the plaintiff.¹⁶ For instance, it has been held actionable for the publisher of a book to advertise and sell a book of poems with the name of Lord Byron on the title page when the famous poet had nothing to do with its authorship.¹⁷

The law governing trade marks in Nigeria is contained in the Trade Marks Act of 1965.¹⁸ The Act is the current legislation regulating the registration and maintenance of trade marks in Nigeria. It repealed and replaced the Trade Marks Registration Ordinance 1914. The Act is based on the United Kingdom's Trade Marks Act of 1938 but it differs only in terms of section numbering and the omission of certain administrative sections in the Act which are not applicable in Nigeria.¹⁹

¹¹ Okafor, A., "Counterfeiting and Piracy: The need for an effective Border Control Regime." (2015) Volume 1, Issue 2. The Barcode. A Newsletter by Still Waters Law Firm. (Accessed October 10, 2016) from <http://www.stillwaterslaw.com/.../counterfeiting-and-piracy-the-need-for-an-effective-border-control>

¹² Leaffer, M.A., "The New World of International Trademark Law." (1998). (Accessed March 15, 2016) from <http://scholarship.law.marquette.edu/iplr/vol2/iss1/1>

¹³ Economides, N.S., "Trademarks" (1998) *The New Palgrave Dictionary of Economics and the Law* (Peter Newman ed.) (Accessed September 13, 2013) from <https://papers.ssrn.com/Sol3/papers.cfm?abstract=61148>

¹⁴ McCarthy, *op. cit.* at 26:1-4. 29:1-7

¹⁵ Posner, R.A., "Trademark Law: An Economic Perspective" (1987) 30 *Journal of Law and Economics* 265. (Accessed May 20, 2013) from <https://chicagobound.uchicago.edu/journalarticles>

¹⁶ Kodilinye, G. & Aluko, O., *The Nigerian Law of Torts*. (Spectrum Books Limited Publishers, 2012) 221.

¹⁷ *Byron v. Johnston* (1816) 35 E.R. 851.

¹⁸ Trade Marks Act 1965, Cap T13, LFN, 2004.

¹⁹ Shyllon, *op. cit.* 211.

Trademarks are crucial to the promotion of trade and economic development and it is not surprising that most developed countries often update their trademark laws to reflect modern trends. This cannot however be said about the trademark laws of a developing country such as Nigeria, where marks are regulated by a replica of the United Kingdom Trade Mark Act of 1938.²⁰ Scholarly opinions agree that the 1938 United Kingdom Trade Mark Act was poorly drafted and deficient in many areas but however, this is the law that still governs trademark law in Nigeria.²¹ The core challenges facing trademarks in Nigeria are service marks and trade dress and this will be discussed in this article. Where such recognition is not accorded to service marks and trade dress, it would be difficult to protect consumers against counterfeiting. Under the trademark law, only identical and/or similar goods are recognised as trademark infringement. There is the need for trademarks to be adequately protected because where there are weak laws, there will be incidences of trademark infringement which has been known to affect the economic development of any country. The focus of this paper will be to discuss the importance of trademarks, the core challenges facing trademark law in Nigeria and the need for Nigeria to amend its trademark law in order to compete internationally with other developed countries.

2. Conceptual Clarification

The definition given by the World Intellectual Property Organization (WIPO) states that trademark is a distinct sign to identify the goods offered by a manufacturer to the public.²² This should be differentiated from a trade name as a trade name is the full name of one's business.²³ A service mark is essentially the same as a trademark, but applies to services rather than products.²⁴ It is used by a party to identify and distinguish the services of that party from the services of others and to indicate the source of the services (even if the source is unknown).²⁵

²⁰ Ajani, O.O., "Fundamentals of the Nigerian Trade Marks Acts and Implications for Foreign Trade Mark Owners." (2016) *Journal of Intellectual Property Law and Practice*. Volume II, Issue 2, pp. 130-137. (Accessed January 4, 2017) from <http://jiplp.oxfordjournals.org/content/11/2/130.abstract>

²¹ *Ibid.*

²² Article 1, World Intellectual Property Organisation.

²³ See the case of *CPL Industries Limited v. Morrison Industries Plc* (2003-2007) 5 I.P.L.R. 342, at 344, 346 where a trade mark was defined as a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor or as a registered user to use the mark, whether with or without any indication of the identity of that person. See generally, section 67(1) of the Trade Marks Act of 1965.

²⁴ What is the difference between a Copyright and Trademark? (Accessed April 5, 2014) from www.wisegeek.com/what-is-the-difference-between-a-copyright-trademark...

²⁵ The differences between trademark and service mark. (Accessed August 30, 2014) from www.vegastrademarkattorney.com/.../what-are-the-differences-between-trademark...

In modern trade, consumers are confronted not only with a vast choice of goods of all kinds but also with an increasing variety of services which tend more and more to be offered on a national and international scale. There is the need for signs that enable the consumers to distinguish between the different services such as insurance companies, car rental, firms, airlines, etc. These signs are called service marks and they fulfill essentially the same function as trademarks do for goods.²⁶ A trade dress is the distinctive design or packaging of a product and this is protected under the same trademark law applicable to a brand name or slogan. Trade dress acts as a source indicator and examples are the shape and design of the original glass Coca-Cola bottle is so well known and recognized that it is protectable trade dress. Coca-Cola could therefore prevent other soft drink manufacturers from distributing their colas in a similar bottle on the basis that there would be likelihood of confusion.²⁷

Finally, it should be noted that when a determination is being made as to whether there is a likelihood of confusion, it should not be assumed that the two marks at issue will be seen together (side-by-side) by the consumers. Rather, the focus is on the impression each mark leaves on the consumers' minds.²⁸ In *British American Tobacco & Anor v. Int'l Tobacco & 2 Ors*, it was held that in determining whether two trademarks are identical or of close resemblance, two senses of the human being must be employed. These are the senses of the ear and the eyes to arrive at a conclusion on the average memory arising from the general recollection. The issue is whether the person who sees or has seen the proposed trademark is the same as the existing one.²⁹

The major difference between the protective nature of trade dress and other types of trademarks is that, to be protected, trade dress can never be inherently distinctive and must therefore always have secondary meaning; hence, for a mark to be protected as a trademark, it must be distinctive.³⁰ A sign that is not distinctive cannot help the consumer to identify the goods of his choice. For example, the word "Apple" or an "Apple device" cannot be registered for apples but it is highly

²⁶ World Intellectual Property Organization (WIPO) Handbook, Policy, Law and Use (2004) Geneva. Second Edition, WIPO Publication, No. 489(E). (Accessed October 7, 2013) from <http://www.wipo.int/about-ip/en/iprml>

²⁷ The analysis of whether there is a likelihood of confusion focuses on a variety of factors to determine the impact of both marks on the perception and memory of the consumers. A likelihood of confusion exists here if the public will be confused about the source of the goods or services in question. Where there is such a likelihood of confusion, the owner of the prior trademark (the earlier applicant for a trademark registration, the plaintiff in an infringement lawsuit or in an opposition proceeding) can have the other mark's use prevented.

²⁸ The likelihood of Confusion. (Accessed April 5, 2014) from www.quizlaw.com/trademarks/how_is_likelihood_of_confusion.php

²⁹ *British American Tobacco & Anor v. Int'l Tobacco & 2 Ors* [2003-2007] 5 I.P.L.R. (Federal High Court, Ilorin)

³⁰ What is trade dress?(Accessed April 5, 2014) from www.quizlaw.com/trademarks/what_is_trade_dress.php

distinctive for the goods to which it is applied when it is recognized by those to whom it is addressed as identifying goods from a particular trade source or is capable of being recognized.³¹ However, if the trademark is not inherently distinctive, it can acquire distinctiveness through its secondary meaning. Secondary meaning shows that the mark has some meaning to the public beyond the obvious meaning of the terms or images of mark itself. In other words, if the primary significance of the mark in the consuming public's mind has become the *source* of the goods or services, rather than the product itself, it has acquired secondary meaning.³²

3. Brief Evolution of Trademarks in Nigeria

Historically, the origin of trademark dates as far back as four thousand years ago when craftsmen from China, India and Persia used either their signatures or symbols to identify their products.³³ Roman pottery-makers used more than a hundred different marks to distinguish their work, the most famous being the Fortis mark, which was imitated by many on counterfeit goods.³⁴ These craftsmen are believed to have used marks for several purposes, including as an advertisement for the makers of the products, as proof that the products belonged to a particular merchant in the event of an ownership dispute, and as a guarantee of quality.³⁵ In other words, merchants used marks to demonstrate ownership of physical goods, much in the way that ranchers use cattle brands to identify their cattle.³⁶ In other words, the use of marks was to indicate ownership of goods which was important for owners whose goods moved in transit, as those marks often allowed owners to claim goods that were lost.³⁷ Also, in a similar way, merchants marked their goods before shipment, so that in the event of a shipwreck, any surviving merchandise could be identified and retrieved.³⁸

In Nigeria, it is however interesting to note that the idea of a trade mark as a means by which one's products are distinguished from those of others was known to the local community before colonization. Many works of art in brass, bronze, gold, clay, wood and calabash had characteristics which were and are still used to

³¹ WIPO Handbook, *op. cit.*

³² What is secondary meaning? (Accessed April 5, 2014) from www.quizlaw.com/trademarks/what_is_Secondary_meaning.php

³³ Idris K. *Intellectual Property: A Power Tool for Economic Growth*. World Intellectual Property Organization.

³⁴ Harris, W.V., Roman Terracootta Lamps: The Organization of an Industry." (1980) *The Journal of Roman Studies*, Vol. 70 at 126-145. (Accessed July 28, 2014) from <http://www.jstor.org/stable/299559>

³⁵ Idris, *op. cit.*, at 150.

³⁶ Schechter, F.I., "The Historical Foundations of the Law Relating to Trade-Marks" (1925).

³⁷ McKenna, M.P., "The Normative Foundations of Trade Mark Law" (2007) *Notre Dame Law Review*. Vol. 82:5

³⁸ Mollerup, P., *Marks of Excellence: The History and Taxonomy of Trademarks* (Phaidon Press, 1997)

identify their origin, that is, that part of the country where they were made or crafted. For instance, bronzes from Ife had their own characteristic naturalistic features; a work of art from the Nok region often had two holes made in the head.³⁹ Therefore, what the marks did was to indicate the source of products and identify their manufacturers. It is unlikely whether there was any registration system or any remedy for infringements of rights at that time.⁴⁰ After the colonization of the British, the first legislation on trade mark registration in Nigeria was the Trade Marks Registration Ordinance of 1914. The Ordinance provided for proprietors or trademarks registered under 1900 proclamation in Southern Protectorate who wanted their trademarks to be applicable to the entire country and to the registrar of trademarks for re-registration. The law governing trade marks in Nigeria is contained in the Trade Marks Act of 1965 and this repealed the Trade Marks Registration Ordinance 1914.⁴¹

4. Purposes of protecting Trademarks

Industrial property rights are comparable to ownership rights. Ownership rights and industrial property rights are viewed in similar ways; they are exclusive rights that preclude third parties from using an object without permission.⁴² Trademarks are protected not only to avoid consumer confusion, but also to provide firms with an adequate return on investments made to create and maintain strong brands.⁴³ Manufacturers have used trademarks' as indicators of their goods' source of origin for hundreds of years.⁴⁴ A trade mark can be viewed as a signature whereby this undertaking accepts commercial responsibility for the marked products and even

³⁹ Sodipo, B. 1997. "Piracy and Counterfeiting: GATT, TRIPS and Developing Countries" (1997) 40. (Accessed October 14, 2014) from <https://searchworks.stanford.edu/view/3502650>

⁴⁰ Shyllon, *op. cit.*, at 192.

⁴¹ The Trade Marks Act 1965 is embodied in Cap T13, LFN, 2004.

⁴² Kaplow, L. & Shavell, S., "Property Rules Versus Liability Rules: An economic Analysis" (1996) 109 *Harvard Law Review* 713, at 716. See also, Lehman, M., "The Theory of Property Rights and the Protection of Intellectual and Industrial Property" (1985) 16 *Intellectual Review of Industrial Property and Copyright* 525, at 526-527.

⁴³ Bottero, N., Mangani, A. and Ricolfi, M., "The Extended Protection of "Strong" Trademarks". (2007) 11 *Intellectual Property Law Review* 265. (Accessed March 31, 2015) from <http://scholarship.law.marquette.edu/iplr/vol11/iss2/1>

⁴⁴ See Trademark Act of 1946 § 45, 15 U.S.C. § 1127 (1997) [hereinafter Lanham Act] (defining term trademark). A trademark is any word, name, symbol, or device, or any combination thereof-

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and

Applies to register on the principal register established by this Act, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.

as a guarantee to consumers concerning their overall quality.⁴⁵ It is of essence to state that a trade mark does not give consumers a legal guarantee about the quality or any other characteristic of the marked products apart from their trade origin but it merely signifies the likelihood that marked products will be and remain consistent which should match consumers' expectations based on this likelihood. This likelihood is only guaranteed only by the strength of the owner's commercial interest in ensuring that these expectations are at least met if not exceeded.⁴⁶

A trademark that is registered confers exclusive rights in the trade mark to the owner. In *Dyktrade Ltd. v. Omnia Nig. Ltd.*,⁴⁷ it was held that registration entitles the proprietor to the exclusive use of the trademark; and also the right to sue for passing off the goods of the proprietor by the defendant. The Registrar of Trade Marks will register a mark on an application by the proprietor after making all the searches and investigations as provided for in the Trade Marks Act.

The primary purpose of the trademark laws is to prevent unfair competition by applying a test of consumer confusion and providing rights and remedies to the owner of the trademark. The test for consumer confusion is to ensure that the consumer is confident when buying a product or service bearing a particular trademark and the product or service is delivered.⁴⁸ That is, the consumer relies on a standard of quality established by the association of the trademark in the marketplace with the owners' product or service.⁴⁹

The rationale therefore behind the protection of trademarks is that the owner has spent time and money in presenting a service or product to the consumer; and the owner should be able to protect this investment by being allowed to prevent others from using the trademark and profiting from the owner's investment. Therefore, trademark protection reduces significantly consumer search costs since consumers do not have to spend time investigating the attributes of a particular brand because the trademark is a shorthand way of signifying the consistency of quality.⁵⁰

⁴⁵ In *L'Oreal v. Bellure* (2009) ETMR 987 at [58], it was held that one of the functions of a trade mark is that of guaranteeing the quality of goods or services in question.

⁴⁶ Griffiths, A., *An Economic Perspective on Trade Mark Law*. New Horizons in Intellectual Property (Edward Elgar Publishers, United Kingdom, 2011).

⁴⁷ *Dyktrade Ltd. v. Omnia Nig. Ltd.* [1997-2003] 4, I.P.L.R. 266, at 267.

⁴⁸ IOWA State University. Trademark Licensing Office. Trademark Legal Basics. (Accessed July 22, 2016) from www.trademark.iastate.edu/basic

⁴⁹ *Ibid.*

⁵⁰ *Ibid.*

The value of the trademark is determined by the strength, or goodwill, of the association between the trademark and its source, and it is the consumer who determines this value.⁵¹ Trademarks are unusual because the reputation of a product can reach a remote foreign market long before the owner of the mark for the product has begun or even had any opportunity to actually market it in the foreign land.⁵² In relation to trademarks, there are three separate and distinct interests which are protected by trademarks.⁵³ Firstly, trademarks become a guarantee of a particular standard of quality which would enable consumers to identify the product of a specific manufacturer or distributor.⁵⁴ Secondly, protection of trademarks safeguards the trademark owner and it represents the goodwill generated by the trademark owner.⁵⁵ The effect of this protection is that it protects the mark holder from the sale of another's product as the holder's own. Where the owner of a trademark has spent energy, time, money, in presenting to the public, the product, he is protected in his investment from misappropriation by pirates and cheats.⁵⁶ This then therefore, becomes an intangible asset entitling the trademark to legal protection from acts that injure its value.⁵⁷

Thirdly and finally, trademark protection promotes free competition identification and demand creation.⁵⁸ This enhanced awareness enables purchasers to distinguish between the goods of competing producers and to be able to make an informed choice based on the differences in quality between competitively produced or marketed articles.⁵⁹ Such consumer awareness encourages producers and distributors to develop better products in order to maintain their position in a highly competitive market economy. The economic value of trademarks in attracting customers requires that firms manage and protect them comparably to other assets.⁶⁰ That is, trademarks are a way to attract the public and consumers look at

⁵¹ *Ibid.*

⁵² Scheter, R.E., "The Case for Limited Extraterritorial Reach of the Lanhan Act" (1997) 37 *VA J. INT'L* 619, at 628

⁵³ Krumholtz, J.E., "The United States Customs Services Approach to the Gray Market: Does it infringe on the purposes of Trade Mark Protection" (1986) *Journal of Comparative Business and Capital Market Law*. Vol. 8, 101-121. North-Holland.

⁵⁴ *Ibid.*

⁵⁵ See McCarthy, *op. cit.*, 4th ed. 2:7-8 where it stated that the trademark owner establishes goodwill through the use of advertising and warranty services

⁵⁶ It is of essence to note that a trademark only gives the right to prohibit the use of it so far as to protect the owner's goodwill against the sale of another's product as his. It has also been stated that the law of trademarks has a part of the broader law of unfair competition

⁵⁷ Bell & Howell, 548 F. Supp. At 1069.

⁵⁸ Handler, . "Trademarks-Assets or Liabilities?" (1958) 48 *Trade-Mark Reporter* 661, at 676.

⁵⁹ *Ibid* at 576.

⁶⁰ Landes, W.M. & Posner, R.A., "Trademark Law: An Economic Perspective" (1987) 30 *Journal of Law. & Economics*, 265, at 274-275

trademarks to choose goods and services, which increases the role of trademarks in global marketing.⁶¹

Trademarks have become even more fundamental in the various commercial lives due to the basic changes taking place in the intensely competitive international markets in consumer goods.⁶² Therefore, the primary reasons for the existence and protection of trademarks are that they facilitate and enhance consumer decisions; and they create incentives for firms to produce goods of desirable qualities, though not observable before purchase.⁶³

Therefore, in the standard literature of law and economics, trademark law is presented as an incentive for business enterprises to invest in the quality of the goods and services with which marks are used and as a remedy to specific market failures.⁶⁴ Thus, it is argued that if it were impossible for consumers and for the public-at-large to identify the source of goods, then every business would have an incentive to supply goods at a quality lower than the average prevailing in the industry because the profits generated by the individual transaction would, in fact, be garnered by the individual business entering into it, while the reputational costs derived from the public's disappointment with the quality of goods would be externalized to the entire industry.⁶⁵

5. Acts of Infringement under the Trade Marks Act

Trademark infringement is the unauthorised use of a trademark or service mark on or in connection with goods and/or services in a manner that is likely to cause confusion, deception, or mistake about the originating source of the goods and/or services.⁶⁶ The likelihood of confusion is the central focus of any trademark infringement claim in Nigeria. Section 13, NTMA,⁶⁷ provides that no trade mark shall be registered in respect of any goods or description of goods that is identical with a trade mark belonging to a different proprietor. In *Nigeria Distillers Ltd. v. Gybo and Sons & Anor*,⁶⁸ it was held that the crucial question in determining whether or not the name is so similar as to constitute an infringement of the plaintiff's mark, "Bacchus" is whether the person who sees the word, "Cacchus"

⁶¹ *Ibid.*

⁶² Leaffer, M.A., "The New World of International Trademark Law" (1998) (Accessed March 15, 2015 from <http://scholarship.law.marquette.edu/ipplr/vol2/iss1/1>)

⁶³ Economides, N.S., "Trademarks" in Newman (ed.) (1998) *The New Palgrave Dictionary of Economics and the Law* (Peter Newman ed.) (Accessed September 13, 2013) from <https://papers.ssrn.com/Sol3/papers.cfm?abstract=61148>

⁶⁴ Landes, W.L. & Posner, R.A., *The Economic Structure of Intellectual Property Law* (Cambridge, Mass: Harvard University Press, 2003) 167-168.

⁶⁵ Landes, & Posner, (1987) *op. cit.*, at 266-268.

⁶⁶ United States Patent, Trademark Office (USPTO). Trademark Infringement. (Accessed February 1, 2016) from www.uspto.gov/page/about-trademark-infringement

⁶⁷ Section 13, NTMA, Cap. T13, Laws of the Federation 2004.

⁶⁸ *Nigeria Distillers Ltd. v. Gybo* [1997-2003] 4, I.P.L.R. 464.

in the absence of the Plaintiff's Mark, "Bacchus" and his view only of his general recollection of what the nature of the Mark, "Bacchus" was, would be liable to be deceived and to think that the word, "Cacchus" is the same as the Plaintiff's Mark, "Bacchus" of which he has a general recollection. The mark to be registered must not, when compared with what is already registered, deceive the public or cause confusion.⁶⁹

A likelihood of confusion exists where consumers view the allegedly infringing mark would assume that the product or service it represents is associated with the source of a different product or service identified with a similar mark. In applying the likelihood of confusion therefore, the courts would apply two different standards to directly competing goods as opposed to non-competing goods. Where therefore, the alleged infringer and the trademark owner deal in competing goods or services, the court need not look beyond the mark as infringement will likely be found if the two marks at issue are sufficiently similar and consumer confusion can be detected. On the other hand, where the goods in question are completely unrelated, confusion is unlikely and infringement will generally not be found.⁷⁰ Trademark infringement categories in Nigeria is still limited to the use of an identical or closely resembling mark on identical goods which closely resemble each other.⁷¹

The following are some of the marks which have been held to be so similar as to be calculated to deceive or confuse the Nigerian public: Casorina held to be similar to Castoria;⁷² "Pikin" held to be similar to "Piccan";⁷³ "Actid" held to be similar to "Actifed";⁷⁴ "Sweet Hearts" held to be similar to "Hearts";⁷⁵ "Eboney" held to be similar to "Ebony";⁷⁶ Glucos-Aid held to be similar to "Lucozade";⁷⁷ and Peacock milk held likely to be confused with "Peak" milk.⁷⁸

Thus, there will be infringement when a person, not being the proprietor of the trademark uses a mark identical with it or so closely resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered, and in such manner as to render the use of the mark likely to be stolen.⁷⁹

⁶⁹ *Alban Pharmacy Ltd. v. Sterling Products International Ltd.* (1968) 1 All N.L.R. 300.

⁷⁰ Legal Information Institute (LII). Trademark Infringement. (Accessed February 1, 2016) from https://www.law.cornell.edu/wex/trademark_infringement

⁷¹ Olatunji, A.O. & Olapade, O.S., "The Trademarks Act of Nigeria and the United Kingdom: A Comparative Examination" (2014-2015) *NIALS Journal of Intellectual Property* [NJIP] at 83. See Section 13(1) Trade Marks Act, Cap. T13, Laws of the Federation 2004.

⁷² *Alban Pharmacy v. Sterling Products* (1968) 1 All N.L.R. 300.

⁷³ *G.B. Ollivant v. Coker* unreported case HK/145/61 (High Court of Western Nigeria).

⁷⁴ *Welcome v. Ranbaxy* (1993) F.H.C.L.R. 353.

⁷⁵ *Soul Publications v. Sweet Hearts Publications*, unreported case FHC/L/CS/370/97.

⁷⁶ *Johnson Publishing Company Inc. v. Ebony Press Ltd*, unreported case FHC/L/C/945/96.

⁷⁷ *Beecham v. Esdee Food Products* (1985) N.W.L.R. 112.

⁷⁸ *In re Marketing and Shipping Enterprises* (1971) 2 N.C.L.R. 81.

⁷⁹ *British American Tobacco (Nig.) Ltd. & Anor v. International Tobacco Company Ltd.* (2003-2007) 5, I.P.L.R. 285, 280, 272. See Section 5(2) Trade Marks Act, Laws of the Federation 2004

6. Counterfeiting as a Trademark infringement

Counterfeiting should be dealt with under trademark infringement in Nigeria. Counterfeiting is the practice of manufacturing, importing or exporting, selling or otherwise dealing in goods which are often of inferior quality under a trademark identical to or substantially indistinguishable from a registered trademark without the approval of the registered trademark owner.⁸⁰ It involves an interloper using a registered mark or where services are advertised or presented in ways that mislead consumers into believing that the goods or services originate from the owner of the registered mark.⁸¹ In other words, counterfeiting is making goods that resemble the original product without the permission of the owner of the trademark; thereby retaining the intellectual property right on the product, usually for dishonest or illegal purposes.⁸² Such counterfeit goods could range from wrist watches, jewelry, clothes, automobiles, and so forth. The impact of counterfeit goods or services is that it could affect the health and safety of consumers and cause serious harm or injury to the economic development of any country.

Another area where counterfeiting could affect is in the area of cyberspace. The emergence of technology precludes the traditional settings of transactions, and with the boom in cyberspace transactions, there is the need for regulations to protect cyberspace investments.⁸³ The economy in Nigeria as it is today depends on technology created by the internet and the challenges are enormous in terms of security. Therefore, counterfeiting of logos, products and generally trying to register the domain names of a company is a fundamental breach to internet, copyright and trademark related offences.⁸⁴

7. Core Challenges facing Trademarks under Trade Marks Act 1965

7.1. Service Marks

There is the non-provision for the registration of service marks in the Nigerian Trade Marks Act (NTMA) 1965 as a trademark under the Act is defined only in relation to use on goods. A challenge faced by the current legislation on trademarks is that the NTMA 1965, drew extensively and substantially from the 1938 English Act.⁸⁵ Under the former United Kingdom 1938 Trade Marks Act, there was no

⁸⁰ Fact Sheets Protecting a Trademark. Counterfeiting. (Accessed October 10, 2016) from <http://www.jnta.org/TrademarkBasics/Factsheets/Page>

⁸¹ Criminal Defense Lawyer. Counterfeiting Trademarks and other Intellectual Property. (Accessed October. 10, 2016) from <http://www.criminaldefenselayer.com>

⁸² The Economic impact of counterfeiting is a global Problem affecting a Wide Range of Industries. (Accessed July 30, 2017) from [www.intellectualpropertynow.com/...](http://www.intellectualpropertynow.com/)

⁸³ Saulawa, M.A. & Marshall, J.B., "The Legal Framework of Cybersquatting in Nigeria" (2015) *International Journal of Humanities Social Sciences and Education (IJHSSE)* Volume 2, Issue 4, pp. 1-8. ISSN 2349-0381. (Accessed September 7, 2016) from www.arcjournals.org>ijhsse>1.pdf

⁸⁴ *Ibid.*

⁸⁵ Asein, J.O., "Consumer Literacy and Confusing Similarity of Pictorial Trademarks in Nigeria" (1994) *84 Trademark Reporter* 64. (Accessed February 2, 2015) from <http://heinonline.org>

provision for the registration of service marks and as a result of this, the Act was amended and was thus included in the United Kingdom Trade Marks Act, 1994 which is the current legislation in the United Kingdom. The reason behind the amendment of the United Kingdom law was as a result of its inadequacy and complex interpretation which worked great hardship on its citizens. Nigeria, on the other hand, is still saddled with the 1938 Act which makes no provision for the registration of service marks and other rights and privileges.

The importance of service marks should not be overlooked as Nigeria, over the years, has developed in the areas of commerce and industry; and hence, the increased relevance and importance in ensuring an updated and modern Act to guide the areas of commerce and industry. Service Marks serve as a tool in business in aiding to build and maintain demand for that service whilst at the same time, enabling the consumer to identify and make decisions upon a recognised service.⁸⁶ The registration of service marks signifies any organisation's intellectual property asset which is vital in protecting the organisation's right by would-be infringers. Service Marks are therefore important for the protection of an organization's intellectual property assets. Registering a service mark provides adequate protection to the brand owner which will prevent others from making unauthorized uses of conflicting designs, symbols, words, character, colour, shape or slogan. In other words, service marks are unique to individual businesses. Service Marks are what customers use to identify the trader's services which they can thereby recommend to other persons. The brand or logo is thus the most valuable asset of any organization or enterprise.⁸⁷

7.2. Trade Dress

Under the current Trade Mark Act, the shape or the form of presentation or packaging of a product is not recognised in Nigeria. The challenge for the non-recognition of packaging is that a proprietor therefore, cannot prevent competitors from copying these elements through an infringement action. This is in contrast with the United Kingdom Act as trademarks covers words, personal names, designs, letters, numerals, the shape of goods or their packaging.⁸⁸

Trade dress is an increasingly important asset as it is described as the total overall impression created by a package design or label or the décor of a business.⁸⁹ Trade dress could be referred to as the visual appearance of a product, which is used in most cases to signify the source of the product to consumers.⁹⁰ The non-

⁸⁶ Dalley, G.R.F., "Protection of Service Marks in Nigeria- A Necessity" (Accessed September 12, 2015) from www.grfdalleyandpartners.com/.../Protection%20OF%20Service%20MARKS

⁸⁷ Dalley, G.R.F. Protection of Service Marks in Nigeria- A Necessity. (Accessed September 12, 2015) from www.grfdalleyandpartners.com/.../Protection%20OF%20Service%20MARKS

⁸⁸ Section 1, United Kingdom Trade Marks Act, Chapter 26, 1994.

⁸⁹ Shyllon, *op. cit.*, at 194.

⁹⁰ *Ibid.*

recognition of packaging was brought out in the case of *Ferodo Nigeria Ltd. v. Ibeto Industries Ltd.*⁹¹

In that case, the first plaintiff/appellant, a British company and the second is its Nigerian associated company. They are the owners of the brand FERODO used for selling manufactured brake linings for motor vehicles, sold in cardboard packages and registered as a trade mark. The defendant/respondent is the owner of the brand 'UNION' for manufacturing and selling brake linings. The plaintiffs/appellants claimed that the packaging under which the defendant/respondent marketed its 'UNION' brake lining is so similar to the plaintiffs/appellants' packaging that it constituted an infringement of their trade mark. It was also alleged that the sale of the defendant/respondent's brake lining also amounted to passing off of the plaintiff/appellant's products.

It was further alleged that the union red, black and white colour combination closely resembled the *Ferodo* package design and it was likely to deceive the public when put up for sale in the market. It is pertinent to note that the restrictive definition under the Nigerian trade Marks Act needs to be aligned with other developed countries. For instance, a trademark under the United Kingdom is defined as any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings and this could be a word, sign, logo, and so forth.⁹²

The learned trial judge in his judgment found that there was no infringement of trade mark and that the plaintiff/appellant failed to prove their claims. The plaintiff/appellant appealed. The Court of Appeal abandoned the appeal as it related to the issue of passing off. The appeal was limited to infringement of trade mark. The decision of the trial court was affirmed and the appeal was dismissed. An appeal was made to the Supreme Court. Musdapher, JSC (as he then was), delivering the leading judgment of the Supreme Court said in his judgment thus: "[i]n summary, I agree with the courts below, that the only mark registered for the first appellant is the word, FERODO and the colouring outlay and the geometric designs are merely decorative and do not form part of the trade mark."⁹³

Similarly, in *Trebor Nigeria v. Associated Industries*,⁹⁴ the inadequacy of the Act in its non-recognition of packing and presentation of goods as a trade mark device was brought to light. The plaintiff in this case sought to restrain the defendants from using a certain wrapping on the defendant's product that was highly identical with that of the plaintiff. The court, although found that the defendants attempted to manufacture and market a product which was similar to that of the plaintiff's product, it only succeeded in its passing off claim and not its trade mark infringement claim.

⁹¹ *Ferodo Nigeria Ltd. V. Ibeto Industries Ltd.* [2004] 5 NWLR, (Pt 866) 317.

⁹² Section 1, United Kingdom Trade Marks Act, 1994.

⁹³ *Ferodo Limited and Ferodo Nigeria Limited v. Ibeto Industries Limited*, (*supra*) at 350-352.

⁹⁴ *Trebor Nigeria v. Associated Industries* (1972) N.C.L.R. 471.

The essential flaw under the Act is the absence of legislative protection on trade dressing or product packaging which would result in endless cases of unrecognized infringement. There is the particular need for protecting the shape and packaging of goods in view of the fact that they constitute one of the most distinctive elements of product identification.

8. Recommendations

There is the need for Nigeria to be able to compete adequately on an international footing in relation to trademarks. The following three major recommendations are, therefore, proffered:

First, the NTMA, 1965 should be amended to suit modern technology. With the increase of commerce over the years especially in terms of e-commerce, there is the need for an updated Act. The new proposed legislation should include registration of service marks and trade dress or packaging.

Secondly, Nigeria should accord recognition to other instances of trademark infringement. Justice may not be achieved where the determination of the infringement of a trade mark is limited to the similarity of marks described as a word without the graphics or design used on the packaging.⁹⁵ Counterfeiting should also be recognized as a form of trademark infringement. Lastly, there must be a specific law on counterfeiting of goods and services in relation to trademarks. The proposed Act should include this aspect

9. Conclusion

The world has transformed globally in recent decades at a rapid pace bringing unimaginable developments to different facets of life, socially, economically, and otherwise. This has, therefore, impacted virtually all aspects of human ideas, especially in the areas of commerce, information technology and dissemination, cross-border travels, mass communications and international politics. In addition, due to the increasing flow via the internet, the phenomenon of electronic commerce (E-commerce) has gained global supremacy within a short period of time. Therefore, with the increased technology-induced developments, the urgent need has arisen more than ever, for the protection of investors' businesses and other proprietary interests both nationally and internationally. Certain deficiencies or inadequacies have been pointed out regarding trademarks issues in Nigeria with appropriate recommendations made. It is hoped that if the above recommendations are adhered to, they would put Nigeria on a better footing in relation to trademarks issues.

⁹⁵ Arowolo, A.L., "Ferodo Limited and Ferodo Nigeria Limited v. Ibeto Industries Limited: Another Critical Review" (2012) (Accessed October 10, 2016) from www.nials-nigeria.org/journals/Dr%20Ayoyemi%20Lawal%20Arowolo-NJIP%202.pdf