

## Legal Alert for May 2010 ? **Trade Names and Trade Marks Protection in Nigeria**

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### LEGAL ALERT?Trade Names and Trade Marks Protection in Nigeria

The name by which a business is known, described or associated is a very important aspect of carrying on a business because a business' name indicates what such a business does and what it represents. Some business people however do not pay much attention to the legal rules and regulations governing the use of their Trade Names in Nigeria. This has led to loss of brand value and in some cases litigation by the registered owner(s) who will not want his/their Trade Name to be associated with another business entity to which he/they have no relationship or control.

Equally significant is the age long fraudulent business practice where non-owners of a registered Trade Mark copy and use such a trade mark without the consent and authority of the owner of the Trade Mark or its registered proprietor or licensor of the registered trade mark.

This Legal Alert is therefore intended to assist you to appreciate in a summary format the rules and regulations that govern and protect Trade Names and Trade Marks in Nigeria.

What is a Trade Name and a Trade Mark?

A Trade Name is the name by which a business distinguishes itself and its trading objects from all other businesses. The Companies and Allied Matters Act ("CAMA") requires that every individual, firm or corporation having a place of business in Nigeria and or carrying on business in Nigeria, whether such a business is carried on in the individual's name or in a corporate name, must be registered at the Corporate Affairs Commission ("CAC") within a period of twenty-eight (28) days of the commencement of such a business.

A Trade Mark on the other hand is any mark, word, phrase, logo or other graphic symbol by which a product or service is specifically identified. Greater legal protection is accorded to persons who register their Trade Mark while a cause of action in tort only lies for persons with unregistered Trade Marks under the legal head of passing off, actionable at the State High Courts.

### Trade Name Protection

The underlying purpose of requiring that all Trade Names and or business names must be registered, within twenty-eight (28) days of their commencement of business is to ensure that no trade name is used that might deceive or cause confusion or even possibly mislead members of the

public as to the distinctiveness between two separate trading entities. The registration requirement of a trade name is mandatory and not discretionary or optional.

Once a trade name is registered, no other entity can use such a trade name or attempt to register a separate and independent business using the same or a similar trade name. The simple reason for this rule is, barring repetition, this prevents confusion or deceit on innocent members of the public. There are however restrictions on the use of some kinds of names in the Trade Name of a business in Nigeria. No enterprise in Nigeria can register its business, or brand it with words like "national", "regional", "state", "municipal", "government", "cooperative" (unless so registered under the appropriate law), "chambers of commerce" (unless it is a company limited by guarantee), "building society", "bank", "insurance", "finance" or any such similar word or words which import or suggest that such a business has government ownership or enjoys government patronage or has obtained a special regulatory licence when such a business has not. In the matter of *Niger Chemist v. Nigeria Chemist* [1961] 1 All NLR 171 the Nigerian Supreme Court held that where the names of two separate companies so nearly resemble each other, such similarity could cause confusion or deceit on members of the public.

The Registrar-General at the Corporate Affairs Commission is equally authorised not to register any name which is undesirable, offensive or otherwise contrary to public interest or public policy. Any trade name, whether registered or not, which violates an existing trade name or trade mark, whether such existing trade name or trade mark is registered or not, will be declared null and void unless in the case of a Trade Mark, the prior express consent of the Trade Mark owner or licensor has been obtained.

It is also instructive to mention that every registered Trade Name must end its name with certain words. For public limited liability companies, their names must end with the abbreviation "Plc". For private limited liability companies, the last word is "Ltd". For companies limited by guarantee, the abbreviation is "Ltd/Gte". For unlimited companies, the last word in its name is "Unlimited" or "Ultid".

Immediately a Trade Name is registered, the corporation with such a Trade Name must affix and keep affixed to its business premises in addition to its corporate seal, all stationary and or correspondence, its registered trade name and number. It is an offence, which on conviction attracts fines, for a company not to publish its trade name as required by law and as already stated herein.

### Trade Mark Protection

To receive legal protection, a Trade Mark must be distinctive and affixed to a product (or services). It must also be registered in respect of a particular class or classes of good(s) at the

Trade Marks Registry. Trademarks in Nigeria are generally registerable for an initial period of seven (7) years from the date the application for registration is submitted. Afterwards, a Trade Mark is renewable for fourteen (14) years at any one time.

The registration of a Trade Mark confers on the Owner or on its registered user the exclusive right, to the exclusion of all others, to the use of the Trade Mark in relation to the class or classes of goods against which the Trade Mark has been registered. Registration of a Trade Mark does not however interfere with any person's bona fide use of his own name or the name of his place of business which must be registered, or the name or names of any of his predecessors in such a business.

Another implication of registration is that the registration of a Trade Mark is prima facie proof of the validity of the original registration of a Trade Mark and of all subsequent assignment and transmission of any interest in the Trade Mark.

The legal implication of the non-registration of a Trade Mark is that the owner or proprietor of an unregistered Trade Mark cannot institute any legal proceedings at any of the Federal High Courts in Nigeria, under the provisions of the Trade Marks Act, to recover damages for the infringement of the unregistered Trade Mark and for loss of profit, delivery of the infringing product(s) carrying the Trade Mark or to prevent any or further infringement of the Trade Mark. The latter restriction does not however prevent the owner of such an unregistered Trade Mark from bringing a legal action under the equitable doctrine of passing off, in the appropriate State High Court, which should be where the infringing defendant resides or carries on business.

A registered Trade Mark is assignable and transmissible either in connection with the goodwill of the business or not.

### Service Marks

Unlike in other jurisdictions, the Trade Marks Act does not include Service Marks in its definition of what constitutes a Trade Mark for registration purposes. See Section 67(1) of the Trademarks Act and the Nigerian Supreme Court decision in *Ferodo v. Ibeto* [2004] 2 SC (Part 1) 1.

Hitherto, Service Marks were alleged to be protected and registerable under Class 16. The Minister of Commerce in Nigeria has now, in the exercise of the powers vested in him by Sections 42 and 45 of the Trade Marks Act, and by Regulation 5 of the Trade Marks Regulations, incorporated Service Marks into the classification of goods for purposes of registration of service marks in Nigeria. Consequently, Applicants can now apply for registration of service marks in Nigeria in Classes 35 to 41. This extension continues to be opposed in intellectual discussions on the ground that only the National Assembly in Nigeria, as opposed to the Minister of Commerce, have the legal authority to include service marks into the definition of Trade Mark in Nigeria to

allow for their registration validly under Nigerian law.

## Conclusion

The none automation and the none availability online of the Trade Marks Registry, and the Companies Registry at the Corporate Affairs Commission continues to hamper the speedy, efficient and cost effective way of doing business in Nigeria. Also, the none advancement of further legislation in the form of amendments to the principal legislations on Trade Names and Trade Marks, to meet the twenty-first century requirements remains a matter for concern. Stakeholders will therefore do well to collectively bring about the necessary improvements and amendments to existing legislations.

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