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THE NEXUS BETWEEN PASSING OFF AND TRADE MARKS IN NIGERIA

By
Ibijoke P. Byron*

Introduction

Passing off is the oldest of the modern legal regimes for the protection of trade symbols. It arises when there has been an infringement of a registered trade mark. That is, the action for passing off occurs when there has been an infringement of a registered trade mark and this is based on the Trade marks Act. The passing off action allows trader A to prevent competitor B from passing their goods off as if they were A's.¹ It may also consist of the defendant misappropriating the plaintiff's (or the claimant's mark) by supplying his own goods when he receives an order for the plaintiff.² Passing off is therefore referred as the false representation of one's product or business as that of another person, thereby deceiving buyers to patronize the plaintiff's products. In other words, it is the selling of goods or the carrying on of business in such a way to mislead the public into believing that the defendant's product or business is that of the plaintiff. It is pertinent to note that Passing off and trade mark law have common roots and in some respect, similar and closely related.³ However, in spite of the co-existence of both passing off action and trademark law, passing off has never been abolished or allowed to slip into disuse.⁴ That is, there are important trademarks which are unregistered and at the same time, unregistrable⁵ and a passing off action may be the only available remedy. That is, if a trade mark action fails, passing off action may succeed on the same evidence, if the registration is invalid.⁶ The law is therefore designed to protect traders against unfair competition which consists of acquiring goods by means of false or misleading devices, already achieved by rival traders.⁷

Passing off in Nigeria is generally a common law cause of action but this is in relation to trade marks. Passing off is not only of common law origin but it also has a statutory flavor under the Trade Marks Act.⁸ The belief in the corporate world is that passing off and trademarks are similar and are used together. This article will therefore discuss Passing off and Trade Mark and how the two actions of law co-exist.

Conceptual Clarification of Passing off and Trademarks

Whenever a person sells his goods or carries on his business under a name, trademark, description or otherwise does anything to mislead the public into believing that the goods or

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¹ Bently, L. & Sherman B. (2014) *Intellectual Property Law*. (4th Edition) Oxford University Press at pg. 826. See the case of Patkun Industries Ltd. V. Niger Shoes manufacturing Co.Ltd [1988] 5 NWLR (Pt.93) 138 SC at 162

² Cornish, W. & Llewelyn, D. (2007) *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (Sixth Edition) Sweet & Maxwell at p.627

³ Shyllon, F. (2003) *Intellectual Property Law in Nigeria. Studies in Industrial Property and Copyright*. Volume 21. Published by Max Planck Institute for Intellectual Property, Competition and Tax Law, Munich at p. 231. See also Bainbridge, D.I. (2012) *Intellectual Property* (Ninth Edition). Pearson Education Limited

⁴ Shyllon, F., *Ibid.*, at p.232

⁵ Unregistrable means that the marks cannot be registered

⁶ Shyllon, F. *Op.cit.* at p. 232

⁷ Kodlinsky, G. & Aluko, O. (1999): *The Nigerian Law of Torts*. Spectrum Books Limited

⁸ Section 3, Trade Marks Act, Laws of the Federation (LFN) 2004

business are those of another person and takes advantage of that person's reputation and goodwill, he commits the tort of passing off.⁹ A point to note is that passing off action is majorly found in the law of torts.¹⁰

In *Perry v. Truefitt*,¹¹ it was stated by Lord Langdale thus,

"A man is not to sell his own goods under the pretense that they are the goods of another man; he cannot be permitted to practice such a deception, nor is he allowed to use the means which contribute to that end. He cannot therefore be allowed to use names, marks, letters or other indicia, by which he may induce purchasers to believe, that the goods which he is selling are the manufacture of another person".¹²

It was held by the court in *Leather Cloth Co. v. American Leather Cloth Co.*,¹³ that, the fundamental rule is that one man has no right to put off his goods for sale as the goods of a rival trader

The basis of the legal action is that passing off by the defendant of his goods and or business as that of the plaintiff, is injuring the right of property, product, services and business of the plaintiff.¹⁴ For passing off to be proved, the plaintiff will be entitled to an injunction restraining the defendant from continuing the wrong, to damages for any loss he has accrued and to an account of the profits made by the defendant in consequence of the tort.¹⁵ In addition, the plaintiff may also recover for loss of business and goodwill as a result of the defendant's misrepresentation.¹⁶

Under the Trade Marks Act, a proprietor is defined as "any person claiming to be the proprietor of a trade mark used or proposed to be used by him who is desirous of registering it must apply in writing to the Registrar in the prescribed form for registration either in Part A or Part B of the Register".¹⁷

Trade Marks is the commercial signature of a manufacturer or trader with which his goods and services are identified and which distinguishes them from the goods and services of others.¹⁸ The trademark system is designed, inter alia, to protect the reputational assets of a natural person or a legal entity and, therefore, provides incentives for investments in quality of goods and services sold on the market.¹⁹ Once registered therefore, the owners of

⁹ See the case of *Niger Chemists Ltd. v. Nigeria Chemists* (1961) All NLR 171 where the Plaintiff's chemist obtained an injunction to stop the defendant chemist from trading as Nigeria Chemists. The Injunction was granted simply because there was a likelihood of confusion and deception

¹⁰ This is found in the tort of deceit and the tort of misrepresentation. See *Kodinlinye, G. & Aluko, O.*, Op.cit., at pg. 221

¹¹ *Perry v. Truefitt* (1842) 6 Beav. 66, 49 ER 749. The fundamental rule being that one man has no right to put off his goods for sale as the goods of a rival trader. See the cases of *Leather Cloth Co. v. American Leather Cloth Co. Ltd.* (1865) 11 H.L. Cas. 523 at p. 538; *De Facto Works Ltd. V. Odumotun Trading Co.* [1959] L.L.R. 33 at p. 39

¹² *Ibid.*, at pg. 752

¹³ *Leather Cloth Co. v. American Leather Cloth Co.* (1865) 11 HL Cas 523 at 538; (1865) 11 ER 1435 per Lord Langdale

¹⁴ Malemi, E. (2013) *Law of Torts*. Princeton Publishing Co.

¹⁵ The plaintiff will recover damages for the loss of profits he has suffered as a result of customers being diverted from him to the defendant. See the case of *Spalding v. Gamage* (1918) 35 R.P.C. 101

¹⁶ *Ibid.*

¹⁷ This provision is provided for under Section 18(1) Trade Marks Act. It is therefore a person that is a proprietor that can register a trade mark. Garner, B.A.(2009)*Black's Law Dictionary*. (Ninth Edition) Thomson Reuters.

¹⁸ Section 67, Trade Marks Act, Laws of the Federation 2004; This definition has however been said to be fraught with complications

¹⁹ For a seminal review of the economic rationale of trademark protection, see Landes and Posner (1997). It is essential to note that trademarks are not necessarily restricted to goods of *highest* quality, they are merely designed to assure consumers of *consistent* quality.

trademarks benefit from legal protection against unauthorized use by third parties.²⁰ Registration prevents the coexistence of confusingly similar trademarks and serves as proof of ownership, for example, in the case of legal disputes. While trademark laws and registers can be found in virtually every country, national regimes often differ markedly as to whether particular signs qualify as trademarks, the scope of protection, guidelines for avoiding confusing marks, registration costs, legal means available to fight infringement and other important details.²¹ There are benefits whilst registering trademarks as this gives the trademark owners the exclusive right to commercially use the protected names or symbols, including licensing them to third parties. These exclusive rights are enforced by a country's judicial system. For example, in order to immediately stop infringing activities, such as the sale of counterfeit products, trademark holders can request seizures or preliminary injunctions through the court system.²²

Scope of Passing off in Nigeria

Nigeria's historical linkage with Britain and also its position as a member in the community of nations suggest that our laws on industrial property rights cannot be much different from that of Britain or other industrial nations or any other multilateral treaty to which Nigeria or Britain is a party. The passing off action was first developed to meet a classic case of *Reddaway v. Banham*. In *Reddaway v. Banham*²³, Lord Halsbury stated "*nobody has any right to represent his goods as the goods of somebody else*".

The preservation of business goodwill is the prime concern of passing off and the protection of consumers from deception is merely an ancillary effect. In other words, passing off action is concerned firstly with the preservation of business goodwill; and secondly, in addition to the first, it is concerned with protecting consumers from deception.²⁴ Where consumers are confused about the source of a product or service; it will not be enough for a trader to bring a successful passing off action against another trader with whom their products are being confused.²⁵ In an action for passing off, there must be evidence of goodwill in relation to the product or service for an action to be successful.²⁶ Goodwill is a form of intangible property that is easy to describe but at the same time, difficult to describe. It is what leads customers to return to the same business or to buy the same brand.²⁷ Therefore, the owner of the goodwill has a property right²⁸ that can be protected by an action in passing off. It is however important to ascertain what goodwill entails. For a plaintiff to succeed in an action for passing off, there must be goodwill associated with reputation which the plaintiff must acquire in relation to the trade, name or style. Reputation on the other hand, comes through

²⁰ Ibid.

²¹ Ibid. It has been stated that trademark systems all over the world are considerably similar to each other

²² Eugenia Baroncelli, et.al., *The Global Distribution of Trademarks: Some Stylized Facts*

²³ *Reddaway v. Banham* [1896] A.C. 199

²⁴ Ibid., at p.859

²⁵ *HFC Bank v. Midland Bank* [2000] FSR 176, 182-3

²⁶ *Sherman, L. & Bently, B.*, *ibid.*

²⁷ In *IRC v. Muller & Co.'s Margarine* [1901] AC 217, 224 per Lord Macnaghten where it was stated that Goodwill is the benefit and advantage of the good name, reputation, and connection of a business. He further stated that it is what distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source...See also *Bently, L. & Sherman, B.*, *ibid* at p.829

²⁸ Proprietary rights have been described as "a man who engages in commercial activities may acquire a valuable reputation in respect of the goods, in which he deals, or of the services which he performs, or of his business as an entity. The law regards such a reputation as an incorporeal piece of property, the integrity of which the owner is entitled to protect". See therefore the case of *See the case of HP Bulmer Ltd v. Ballinger* (1978), RPC 79 at 93

consistent use.²⁹ An example of goodwill is in the case of *Boots Company Limited v. United Niger Imports*,³⁰ the plaintiffs, an English company engaged in the business of manufacture and sale of pharmaceuticals throughout the world market their products in Nigeria through their sole agents, the Boots Co. (Nig.) Ltd. Among the plaintiff's products distributed through their Nigerian agents are codeine compressed tablets known as 'Boots Compound Tablets BP' which was well known as "Beecodeen." The plaintiffs alleged that the defendants were marketing their codeine with the letter "B" which is distinctive of the plaintiff's product. They contended that by the use of said letter, there is the likelihood of confusion between the plaintiff's codeine tablets and the defendant's codeine tablets. The plaintiffs asserted that the defendants' goods were fake and inferior to their products but were passed off as though they were the plaintiffs'. The defendant on the other hand, denied the allegations and stated that they were the representatives of overseas manufacturers and have been importing analgesic tablets with the Roman B embossed on their products since 1954. However, in order to bring a successful action of passing off, the plaintiff must be able to state the following:

1. The need to establish goodwill or reputation attached to the goods or services which is supplied in the mind of the purchasing public by association with identifying the get-up (whether it consists of a brand name or a trade description, or the individual features of labeling or packaging) under which the 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;³¹
2. The plaintiff must demonstrate a misrepresentation by the defendant to the public (whether intentional or not) leading or likely to lead the public into believing the goods or services offered by the defendant are the goods and services of the plaintiff;³²
3. The plaintiff must also exhibit erroneous belief that he is likely to suffer damage by reason of the defendant's misrepresentation.³³

Therefore, the above must exist before a successful suit can be brought to the Court. Passing off has a lot with the name, symbol, or logo that has been employed by a trader and thus has become known and which is associated with the business. An example where goodwill is associated with a name is for instance, "Marks & Spencer" or "Nike" or "Coca-Cola".³⁴ Goodwill is also associated or linked with packaging, trade dress of products, and advertising style.³⁵ Where a trader has just started in business or trading, or has only recently started using an unregistered mark or get-up, he may be unable to succeed in a passing off action. Passing off does not protect goodwill of a trivial extent. Therefore, a newly registered trade mark has immediate protection, with passing off on the other hand whilst the plaintiff must be able to prove that he has built up a reputation around the name or mark, and that he has acquired a property in the goodwill associated with the subject matter.³⁶ It is however not possible for there to be any laid down rule or time taken to acquire protectable goodwill. This depends on the circumstances of each case. This might depend on whether or not there is a great deal of commercial activity and advertising. It has also been stated that goodwill can be

²⁹ This simply means that the where there is suspension of use for a long period of time might be insufficient to revive any residual goodwill and the plaintiff might not be able to raise any issues pertaining to the goodwill of the plaintiff

³⁰ *Boots Company Limited v. United Niger Imports* [1977-1989] 2, I.P.L.R. at page 77

³¹ Cornish, W. & Llewelyn, D.(2007) *Intellectual Property: Patents, Copyright, Trade Marks and Allied Rights* (Sixth Edition) Thomson Sweet & Maxwell at p. 629

³² Op. cit. See Footnote 32

³³ Ibid.

³⁴ Sherman, L. & Bently, B. (2014) *Intellectual Property Law* (4th Edition) Oxford University Press

³⁵ Ibid. at p. 829

³⁶ See the case of *Hart v. Relentless Records Ltd.* [2003] FSR B36

acquired in a short period of time even prior to the availability of the goods or services to which the goodwill relates.³⁷ In the case of *Stannard v. Reay*,³⁸ it was held that three weeks was sufficient time to build up goodwill in the name 'Mr Chippy' for a mobile fish and chips van operating in England. It can therefore be seen from the above cases that the purpose of passing off is to protect the goodwill of traders.

In relation to goodwill under passing off, Lord Diplock laid down the essentials for a passing off action from case law which is the concept of goodwill.³⁹

I. . In descriptive words

As mentioned above, goodwill developed through the use of words such as "NIKE" or "MARLBORO" to distinguish one trader's goods or services from those of its competitors. Goodwill may also be associated with words that are capable of being understood as descriptive of the goods themselves.⁴⁰ The concept of goodwill had been recognized as a form of legal property and has been expressed as the benefit and advantage of the good name, reputation and connection of a business. It is said to be the attractive force which brings in custom.⁴¹ Therefore, passing off is considered as protecting tangible property and it is the only common law economic tort based on strict liability.⁴²

For a trader to show that they have goodwill in a descriptive word, the trader needs to demonstrate that the words have acquired a secondary meaning not only of the goods or services of that description, but specifically of the goods or services of which they are the source.⁴³ Therefore, goods must be distinctive of one source. For example, where two publishers are competing to launch magazines with a title such as "Leisure News", it is unlikely that either will be able to bring a passing off action until the magazine has been in the marketplace for a sufficient period of time to build up a public association between the name and a particular source.⁴⁴

Therefore, in proving secondary meaning, the claimant would have to submit evidence of things such as the length of use and the amount of money that has been spent on advertisement.⁴⁵ It has also been noted that it will be easier and better that in finding that a name is distinctive and protected where a trader has used the name separately rather than in conjunction with another sign that designates source.⁴⁶ Also, similar principles apply to geographic words and personal names. In general, the adoption of a geographic term or a personal name will not prevent another trader from using the same designation. In certain circumstances, secondary meaning can attach to such signs. For example in *Montgomery v. Thompson*⁴⁷ it was held that because the claimant had sold beer for more than 100 years, it

³⁷ Bainbridge, D., Op.cit., at p.865

³⁸ *Stannard v. Reay* [1967] RPC 589

³⁹ *Spalding & Bros v. AW Gamage Ltd.* (1915) 84 LJ Ch. 449. In this case, the plaintiff was a dealer in footballs described for some years as 'Orb' footballs and this description and descriptions included the word 'Orb' became distinctive of the claimant's footballs. The claimant sold a quantity of defective balls to a waste rubber merchant and eventually, they fell into the hands of the defendant who advertised them as being 'Orb' balls. An injunction was granted in favor of the claimant.

⁴⁰ Once goods are descriptive in nature, the court would hold that there is goodwill in the product.

⁴¹ *Inland Revenue Commissioners v. Muller* [1901] A.C. 217 at 223

⁴² *Shyllon, F.*, Op.cit., at p. 232

⁴³ Secondary meaning simply is essential not only where the name describes the product, but also where it embodies a reference to quality. This means that the consumers know the distinctive product of the plaintiff. It is therefore necessary to show that the descriptive terms are distinctive of one source. See *Peter Waterman v. CBS* [1993] EMLR 27

⁴⁴ *Marcus Publishing v. Leisure News* [1990] RPC 576, 584. This means that the plaintiff should build up public acceptance of the product before he can say that the defendant has committed passing off

⁴⁵ *Chivers v. Chivers* (1900) 17 RPC 420, 430

⁴⁶ *Mcain v. County Fair* [1981] RPC 64

⁴⁷ *Montgomery v. Thompson* [1891] AC 217

had over time become widely known as *Stone Ale*. The defendant, who recently established a brewery in Stone, was prevented from using the term Stone to describe its beer.⁴⁸ A distinctive feature in relation to goodwill is that the association must be in the mind of the general public; for example, the term “Swiss Chocolate” means only chocolate made in Switzerland can be understood as being of a particular quality.⁴⁹

Apart from the above, words, once they are distinctive, may later lose their ability to indicate source. In such a case, the passing off action will no longer be available. An example is “Linoleum”, which is the name used for a floor covering made of solidified oil. The court in this case refused to prevent competitors using this term because it had become generic. Therefore, it became a common name associated with the floor covering without connoting the source of the manufacturer.⁵⁰

2. Packaging, get-up and trade dress

In relation to goodwill, a person may acquire goodwill from the packaging or get-up of the product.⁵¹ In the case of *Reckitt v. Colman*,⁵² the claimant had sold lemon juice in plastic containers that resembled a lemon in size, shape and colour. It was held by the House of Lords that if the defendant should continue to use plastic lemons that were similar to that of the plaintiff, the defendant will be passing their juice off as that of the plaintiff. The reason is not far-fetched because the plaintiff had succeeded on persuading the general public that lemon juice sold in plastic containers had been manufactured by them. It however made no difference that the plaintiff’s juice was labeled JIF and that of the defendant’s REALEMON simply because the belief is that purchasers do not look at labels before buying a product.⁵³ Therefore, the protection that passing off provides over trade dress, packaging or trade dress is of particular importance where consumers identify products by their external features rather than by words. This will probably be the case when goods are sold to people who are illiterates or where goods are sold in foreign language and little or no attention is paid to the words.⁵⁴

For the plaintiff therefore to prove that there has been passing off on his products, he must be able to prove that the public recognizes that the get-up is distinctive of the plaintiff’s goods and services. In the case of *Ayman Enterprises v. Akuma Industries*,⁵⁵ it was held by the learned judge that the rights of passing off accrue to one who can show goodwill or reputation linked to his mark. Also, in *Labinal v. OCE Filter Manufacturing Industry*,⁵⁶ the plaintiff sought an injunction to restrain the defendant from passing off the defendant’s “OCE” oil filters recommended for Peugeot cars as oil filters of the plaintiff. The court held that the defendant’s product was identical and similar to that of the packaging of the plaintiff and that there would be an element of confusion to consumers who are accustomed to the packaging of the plaintiff.

Similarly, in the case of *CPL Industries Ltd. v. Glaxo Smithkline Consumer Nigeria Plc & Smithkline Beecham Plc.*,⁵⁷ the plaintiffs’ case against the Defendants is that the defendants who manufacture for sale analgesic preparations called ‘Panadol’ and Panadol Extra adopted

⁴⁸ See *My KInda Town v. Soll* (1983) RPC 407

⁴⁹ *Chocosuisse v. Cadbury* [1999] RPC 826, 832

⁵⁰ *Linoleum Manufacturing Co. v. Nairn* (1878) 7 Ch. D 8344, 836. Therefore, once goods are generic, a claimant cannot succeed in an action for passing off

⁵¹ Evans, J. (1968) ‘Passing Off and the Problem of Product Simulation’ 31 MLR 642

⁵² *Reckitt v. Colman*, [1990] RPC 341, 406

⁵³ *Reckitt v. Colman*, *ibid.* see generally Sherman, L. & Bently, B., *op.cit.*

⁵⁴ *Ibid*

⁵⁵ *Ayman Enterprises v. Akuma Industries* (unreported) FHC/L.CS/674/96

⁵⁶ See the case of *Labinal v. OCE Filter Manufacturing Industry* Unreported case FHC/L/33/90

⁵⁷ *CPL Industries Ltd. V. Glaxo Smithkline Consumer Nigeria Plc & Smithkline Beecham Plc* (2011) I.P.L.R. 243

a design, Trademark and packaging similar to those adopted for the plaintiffs' "Conphamol" Analgesic; and that the defendant had infringed upon the plaintiff's trademark. The defendants denied any infringement of the plaintiff's Registered Trademark and contended that they had been in prior use of the Trade mark, the Eclipse device, the subject matter of this suit prior to 1981, when the plaintiff registered its Conphamol & Device.. They further contended the design of the Plaintiff's Conphamol and the Eclipse device trade mark is an imitation of Panadol and Eclipse device of the defendants. The defendants thus counter-claimed and sought a declaration that the plaintiff is not entitled to register the Eclipse device shown on the packet of Conphamol products as its trade mark and an order expunging any registration of the plaintiff as the proprietor of the said trade mark from the Register. In order therefore to succeed in a claim for passing off, it was held that a Plaintiff must show that the defendant has adopted or imitated the brand name or a feature of the packaging or labeling of his goods, that the item imitated or copied had become distinctive of his goods in the eyes of the buying public; that by the adoption of that item, the buying public are deceived into believing that the goods of the defendant are the goods of the plaintiff and that he has suffered or will suffer damage thereby.⁵⁸

3. Advertising style

Establishing goodwill can also be established from a trader's association with techniques or slogans that can be used for advertising. A defendant will therefore be liable for passing off where techniques or slogans similar to that of the plaintiff are used. In the case of *Cadbury Schweppes v. Pub Squash*,⁵⁹ the plaintiff produced a lemon-flavoured soft drink called "Solo". The plaintiff as part of the marketing campaign in Australia launched a series of television advertisements which showed rugged heavily built men (masculine) drinking "Solo". The defendant promoted its own lemon-flavoured drink with a similar campaign. It was however held in this case that while the Privy Council recognizes the fact that passing off may protect a claimant's advertising campaign, it seems that the claimant will have difficulties in demonstrating that the public associates a specific style of advertising with a particular source.⁶⁰

Cause of Action In Relation To Passing off

The case of *Warnink BV v. Townsend & Sons*,⁶¹ lists the five (5) guidelines or characteristics for determining when an action lies in passing off:

1. misrepresentation;
2. it must be made by a defendant in the course of trade;
3. it must be to prospective customers;
4. it must be calculated to injure the business and goodwill of another person; and,
5. it must cause damage to that person's business and goodwill.

In any passing off action, there must be the likelihood of deception whereby, the goods and services of the plaintiff are passed off as that of the defendant. In *Trebor v. Associated Industries*,⁶² it was held that the issue of the likelihood of deception in a passing off action is not to be decided on a deliberate and careful comparison but on the much vaguer impression a casual observer would get and not necessarily putting the get-ups together to ascertain the similarities.

⁵⁸ CPL Industries Ltd. V. Glaxo Smithkline Consumer Nigeria Plc & Smithkline Beecham Plc., op cit

⁵⁹ Cadbury Schweppes v. Pub Squash [1981] RPC 429,

⁶⁰ Ibid.

⁶¹ Warnink BV v. townsend & Sons (1979) All ER 927 at 932 (1979) AC 731 at 473 HL

⁶² Trebor v. Associated Industries (1972) N.C.L.R. 471. See also Kodinlinye & Aluko, op.cit at p.

In the case of *De Facto Works v. Odumotun*,⁶³ the plaintiffs were bakers and distributors of wrapped bread who for several years had used yellow and brown wrappers with the name De Facto written in large scroll letters in chocolate colour. The defendants, who were also bakers and distributors of wrapped bread, had used grease-proof papers with green letters without any coloured backgrounds. They thereafter changed the colour of their product to that similar to that of the plaintiffs' but with ODUS in large scroll letters in chocolate colour. The plaintiffs instituted an action against the defendants for injunction, damages, account of profits and delivery up for destruction of the offending wrappers. It was held in this case by Coker J. that the essence of passing off action was the element of the likelihood of confusion or of deception to the consumers and such may be brought by the layout of colours even though the design details are not identical or similar.⁶⁴

In the flux of life, it is impossible to state the ways in which a trader could pass off his goods as those of a rival one, the general principle is that the purchasers should not be induced to believe that the goods they are buying were manufactured by another person.⁶⁵ The test is therefore not whether a customer can distinguish the two marks when they are placed side by side but whether he has an idea of the product he likes and is accustomed to and that he may not accept the other product in mistake for it. In the above case therefore, the judge granted an injunction restraining the defendants from passing off their bread as that of the plaintiffs and thereafter awarded damages.

Passing off by misrepresentation may be in various ways such as by written or oral statements, etc, as long as the goods are similar to those of the claimant. For it to be actionable, the misrepresentation does not have to suggest that the defendant's business is that of the claimant but it is sufficient if the misrepresentation indicates an association between the businesses of the claimant and the defendants.⁶⁶ Therefore, misrepresentation does not have to do the likelihood of confusion but whether the defendant's name was similar to that of the claimant or whether the defendant's use of his own name in connection with his goods or business could be taken to be a representation that those goods or his business is similar to those of the claimant which invariably will give rise to harming the claimant's goodwill which the claimant is entitled to protect.⁶⁷ In *Erven Warnink Besloten Vennootschap v. J Townend & Sons (Hull) Ltd.*⁶⁸ The plaintiffs in this case were producers of a liqueur called "Advocaat" which came to be well known during that era. It was a high quality liqueur made from high quality products, for example, brandewijn, egg yolks and sugar which acquired a substantial reputation and sold in large quantities. The defendant made a drink called "Keeling's Old English Advocaat" which was made from Cyprus sherry and dried egg powder, which was an inferior but less expensive drink compared to that of the plaintiffs'. Therefore, because of this, the product of the defendants', this captured a large part of the plaintiff's market in the United Kingdom but it could not be shown that consumers mistook it for the plaintiff's drink. It was however held that the reputation associated with the plaintiffs' product should be protected from deceptive use of its name by competitors despite the fact that several traders shared the goodwill. So, there was a misrepresentation made by the defendant calculated to injure the plaintiffs' business or goodwill. An injunction was therefore granted in favour of the plaintiffs.

⁶³ *De Facto Works v. Odumotun* (1959) L.L.R. 33

⁶⁴ See Shyllon, F. *ibid* at p.234

⁶⁵ *Ibid*.

⁶⁶ Bainbridge, D. (2012) *Intellectual Property* (Ninth Edition) Pearson Education Limited

⁶⁷ See the case of *Premier Luggage and Bags Ltd. V. Premier Company(UK) Ltd.* [2003] FSR 5

⁶⁸ *Erven Warnink Vennootschap v. J Townend & Sons (Hull) Ltd.* [1979] AC 731

Under the tort of passing off, there must be the likelihood of damage. The following are the features of likelihood of damage.

1. Likely damage:

The plaintiff has to show actual injury and some likelihood of injury that is more than mere imitation will occur. In ordinary passing off between competitors who are selling the same products or substituted products or services, there being a likelihood of damage will also at the same time, create likelihood of confusion.⁶⁹

2. Goods or business not the same

This occurs when goods or services even though not the same, can raise the issue of trade marks. In *Walter v. Ashton*,⁷⁰ the defendant, who had been responsible for a successful sales campaign to sell 'Daily Express' bicycles with the co-operation of that newspaper launched a new campaign to sell 'The Times'. It was held in this case that there must be the existence of a tangible probability of injury to the claimant's property. Another form of probable injury is where the plaintiff sold rubber gloves called 'Marigold' and the defendant had begun to use the mark on toilet tissues. The plaintiff secured an interim injunction against the defendant from using such mark upon similar goods.⁷¹

3. Not trading in the same geographical area

Where the plaintiff establishes a business reputation in one place, and the defendant, on the other hand, sets up a similar business in another place, suggests that the plaintiff has opened a new outlet in that locality. In *Brestian v. Try*,⁷² the plaintiff had hairdressers' shops in London and in major parts of Europe and the defendant was restrained from using the same name for hairdressing in that area. Jenkins, L.J. held that damage might ensue because there is the probability that customers might go to the defendant instead of that of the plaintiff. It was held that the plaintiff's credit and reputation might be endangered.

Another example is where a business called 'Chelsea Man' with shops in three cities was held entitled to a country-wide injunction preventing the opening of 'Chelsea Girl' outlets, because of its intention to extend business beyond these places.⁷³

Cause of Action Under Trade Marks

To succeed in an action on Trade Marks, the owner of such of a mark must have registered the mark with the Registrar of Trade Mark. In *Zeneca Limited & Ors v. Jagal Pharmaceutical Limited*,⁷⁴ it was held that registration of Trade Mark entitles the proprietor to sue or institute an action for any infringement of the Trade Act. Registration entitles the proprietor the exclusive use of the Mark and also the right to sue for passing off the goods of the proprietor. Therefore, the Trade Marks Act provides a guide as to who may apply to register a trade mark; it also provides the processes which must be followed in registering a trade mark.⁷⁵ The registration therefore entitles the proprietor to the exclusive use of the Trade Mark and the proprietor also has the right to sue for passing off the goods of the proprietor.⁷⁶

⁶⁹ Cornish, W. & Llewelyn, D. Op.cit.

⁷⁰ *Walter v. Ashton* [1902] 2 CH. 282

⁷¹ *LRC v. Lilla Edets* [1973] R.P.C. 560. Other examples are where for instance, the defendant uses 'Lego' on plastic gardening equipment which is likely to be associated with the well-known 'Lego' toys. See therefore, the case of *Lego System v. Lego M. Lemelstrich* [1983] F.S.R. 155

⁷² *Breestian v. Fry* [1958] R.P.C. 161, CA

⁷³ See the case of *Chelsea Man v. Chelsea Girl* [1987] R. P.C. 189, CA

⁷⁴ *Zeneca Limited & Ors v. Jagal Pharmaceutical Limited* (2003-2007) 5, I.P.L.R. p.409

⁷⁵ See generally, Babafemi, F.O. (2007) *Intellectual Property: The Law And Practice of Copyright, Trade Marks, Patents And Industrial Designs in Nigeria*. Justinian Books Limited

⁷⁶ See the case of *Dyktrade v. Omnia Nigeria Ltd.* (1997-2003) 4 L.P.C. 4, PG.3

Similarly, in *Beijing Cotec Tech. Corporation & Anor v. Greenlife Pharm Ltd & 5 Ors*,⁷⁷ the 1st Plaintiff is a registered proprietor in respect of a drug called, "COTECXIN DIHYDROARTEMISININ" while the 2nd plaintiff is the sole marketer and licensee of the 1st Plaintiff in Nigeria. The Plaintiffs obtained the approval for the sale of its anti-malarial drugs based on its Patent DIHYDROARTEMISININ from the National Agency for Food Drugs Administration and Control (NAFDAC) in the year 2000. However, in July 2000, the Plaintiffs discovered a drug known as ALAXIN which has the active ingredient and compound, DIHYDROARTEMISININ in Nigeria whereby there was a complaint to NAFDAC and the agency promised to take necessary action. On July 21, 2003, the Vanguard reported that the 1st-5th Defendants were launching their anti-malaria drug which had the same component and ingredient with that of the Plaintiff. It was therefore held in this case that Trade Mark when registered; entitles the proprietor to sue or institute an action for an infringement. Therefore, in any cause of action, the plaintiff must be able to show the court that the mark that is being infringed was adequately registered. Upon an infringement, a printed or written copy of any entries in the Trade Marks register which is certified by the Registrar and sealed with the seal of the Registrar shall be admitted in evidence in all courts and in all proceedings without further proof or production of the original and shall be prima facie evidence of contents of the register.⁷⁸

Distinguishing Passing off from Trademarks

As mentioned above, passing off and trade mark law have common roots and in many instances, similar to each other. Passing off is brought in respect of an unregistered trade mark, a mark that has not been registered through inaction on the part of the owner of the mark or as a result of ignorance of the advantages of trade mark law or because the mark fails to satisfy the requirements for registration.⁷⁹ Trade Marks, on the other hand, is when a mark has been registered by the Registrar of Trade Marks and also when the Plaintiff has been issued a Certificate of Registration.⁸⁰

Passing off has common law origin whereas trade mark is purely a creation of statute, that is, Trade Marks Act. Under the Trade Marks Act, the provision states that only registered trade mark can be the subject matter of action for infringement. It further states that the Act gives statutory backing for the right of action against any person for passing off in Nigeria. The confusion arises under Section 3⁸¹ in that the provision plays two roles. It provides firstly, that only a registered trade mark can be the subject matter of action for infringement. Secondly, the Act gives statutory backing for the right of action against any person for passing-off.⁸² Thus, if the trade mark is registered, it vests a right enforceable by action for infringement of trade mark. If it is not registered, it only vests a right of action in passing off.⁸³ The concept of registration plays a vital role when it comes to the issue of Trade Marks and Passing Off in Nigeria. The owner of a mark must register same with the Registrar of Trade Marks and this is necessary before the right protected by law can accrue.

⁷⁷ *Beijing Cotec Tech. Corporation & Anor v. Greenlife Pharm Ltd. & 5 Ors* (2003-2007) 5, I.P.L.R. p.100

⁷⁸ Section 58 and 59 of the Trade Marks Act, Cap 436, Laws of the Federation 2004. See also the case of *Sol Pharm. Ltd. & Anor v. Susano Pharm Ltd.* [2003-2007] 5, I.P.L.R. at p. 416. The plaintiff whose mark is being infringed should be able to show the Certificate of Registration given by the Registrar

⁷⁹ Bainbridge, D. (2012) *Intellectual Property* (Ninth Edition) Pearson Education Limited.

⁸⁰ See the case of *Ducross S.A. v. Silas Ind. & Trading Co. Ltd.* [2003-2007] 5, I.P.L.R. at p. 31

⁸¹ Section 3, Trade Marks Act, Laws of the Federation 2004

⁸² *Ibid.*

⁸³ Ogbuador, C.A. and Anya, S. (2013) *Jurisdiction in Actions for Infringement of Trade Marks and Passing Off in Nigeria*. The Nigerian Juridical Review. Vol.11

Therefore, anyone who wishes to have the protection of the trade mark must register it under the Trade Marks Act.⁸⁴

Therefore, the issue of registration or non-registration clearly distinguishes trade marks from passing off. It is only a registered trade mark owner that can be a subject of an infringement action. Where on the other hand, the owner of a trade mark fails to register the mark, he will only be entitled to bring action and seek remedies for passing off.⁸⁵

The subtle distinction between trade mark and passing off resulting from registration was extended by the case of *Ayman Enterprises Limited v. Akuma Industries Limited & 3 Ors.*⁸⁶ In that case, it was held that it is the Federal High Court that has jurisdiction to entertain passing off actions arising from any Federal enactment. The jurisdiction of the Federal High Court to deal with actions on passing off depends on the registration of trademarks.⁸⁷ Where on the other hand, the trade mark is unregistered, then the cause of action for passing-off is in common law for tort and action can be brought in a State High Court.⁸⁸ On the general principle, the common law tort of passing-off goods as the goods of another still exists generally but not in respect of infringement of unregistered Trade Marks. The emphasis is that the Federal High Court requires that the trade mark allegedly infringed must have been unregistered. Therefore, under the Trade Marks Act, passing-off is derived from the Trade Marks Act and not from common law.⁸⁹

Similarly, in the case of *Nigeria Distilleries Ltd. v. Rufson Distilleries & 2 Ors.*,⁹⁰ the plaintiff, the registered proprietor of the Trade Mark "Seaman Schnapps" and "Seamen Schnapps" was used by the defendant. The trademark was alike both in writing which was capable of confusing the public to believe that it is the plaintiff's product that they are buying. It was however held in this case that a passing-off case can be instituted in the Federal High Court for the infringement of any registered or unregistered trade mark.⁹¹ It was held by the court that there was an infringement of the registered mark of the plaintiff by the defendants.

In *Exxon Corporation v. Exxon Nominees Industrial Ltd.*,⁹² it was held that the difference between passing-off per se and breach of Trade Mark is that the former is common law right which has been violated while the latter is a statutory right being breached. It was further stated that the statutory right has incorporated the common law right and that the breach of trade mark may be called a violation of statutory passing off. In *Multimalt Limited v.*

⁸⁴ Section 3, Trade Marks Act, Laws of the Federation 2004

⁸⁵ *Omnia (Nig.) Ltd. v. Dyktrade Ltd.* (2007) 15 NWLR (Pt. 1058) 576 SC. It was held in this case that a registered trade mark will entitle the proprietor to sue or institute an action for any infringement of the trade mark

⁸⁶ *Ayman Enterprises Limited v. Akuma Industries Limited & 3 Ors* (2003-2007) 5 I.P.L.

⁸⁷ This is under section 3 of the Trade Marks Act, Cap. 436 and section 251(1)(f) of the Constitution of the Federal Republic of Nigeria

⁸⁸ Section 272(1) of the 1999 Constitution

⁸⁹ Section 3 of the Trade Marks Act, Laws of the Federation 2004

⁹⁰ *Nigeria Distilleries Ltd. V. Rufson Distilleries & 2 Ors.* (1997-2003) 4 I.P.L.R. 231

⁹¹ This provision is under section 3 of the Trade Mark Act, 1965

⁹² *Exxon Corporation v. Exxon Nominees Industrial Ltd.*⁹². [1977-1989] 2 I.P.L.R. 432. The facts of this case was that the plaintiffs were one of the largest industrial corporations in the world. Prior to 1972, the plaintiff was incorporated as Standard Oil Company of New Jersey but the names was later changed to Exxon Corporation on November 1972. The reason for changing the name was that the company had problem of using the words, Standard and Esso simply because other companies in the United States had similar names. The Exxon was then registered throughout the world including Nigeria. It was found that the name Exxon, did not exist throughout the world. The Defendant's company was known as Exxon Nominees Industries Ltd. The plaintiff alleged that the use of its name and addition of Nominees to the defendant's design suggests that the defendant's company was its nominee whereas there was no connection between the two companies.

Premier Breweries Limited,⁹³ the Plaintiff, a limited liability company registered in Nigeria carried on its business at Berth I, Tin-Can Island port, Apapa, Lagos as a bulk malt and grains handling Company. The Plaintiff also imports and sells to breweries malts and brewing products. The Plaintiff's business relates to brewing therefore it is mostly connected with breweries in Nigeria. The Plaintiff has been doing this business since 1975 when it started installation of its handling equipment for bulk malt drink in 1975. The Plaintiff knew the 1st Defendant with whom it has been in contract since 1985. The 1st Defendant is a brewing industry which produces alcoholic and non-alcoholic beverages. The Plaintiff sued the Defendants because of the use of its name "MULTIMALT" on product of non-alcoholic beverages produced and bottled by the 1st Defendant. The Plaintiff became aware of the use of its name through commercial advertisements made by the Defendant particularly on its 1990 calendar which was circulated in Nigeria.⁹⁴ The Plaintiff in the above case could not maintain an action for passing off since it does not manufacture or produce any goods.

In *Soul Publications Limited v. Sweet Hearts Publications Limited*,⁹⁵ the Plaintiff is a Limited Liability Company engaged in publication of Magazines. The Plaintiff is suing for infringement and passing-off of any Magazine or publication not published by the Plaintiff. The Plaintiff's contention is that there are strong similarities between its "Hearts" Magazine and the Defendant's new Publication "Sweet Hearts" the particulars of which include their appearances which are the same in that "Sweet Hearts" magazine was made to resemble the "Hearts" magazine. The Plaintiff by an ex-parte Application obtained an order restraining the Defendant/Applicant from effecting any publication or marketing any magazine under the name "Hearts" or "Sweet Hearts". It was held in this case that the rights as to infringement accrue on registration which neither of the parties herein has a claim to, whereas, rights of passing-off accrue to one who can show good will and reputation upon the use of the Mark.

It was further held in the above case that a statutory right to sue for passing-off of an unregistered Trade Mark is conferred on a person in addition to the common law tort of passing-off in respect of other matters not covered by the Act.⁹⁶ In *Goodlife Electronics v. Austec Obison Investment Ltd.*,⁹⁷ the Plaintiff registered the Trade Mark, "Goodlife" as a Trade Mark at the Trade Marks Registry, Abuja in Class 9, where the necessary documents were issued. The documents are Acceptance Form, Acknowledgement Forms and payment receipts. Subsequently, the Plaintiff noticed that there was flagrant flouting of his "Goodlife" brand of shoes which were not his products in the Lagos market. A survey was conducted and same was found in the Defendant's shops.

The Plaintiff alleged that the Defendant continued infringement of its Trade mark which resulted in loss of sales, patronage, reputation and goodwill which could not be readily quantified in monetary terms. It was held that Trade Mark when registered will entitle the proprietor to sue or institute an action for infringement of Trade mark. Registration therefore, entitles a proprietor the exclusive use of the Trade Mark and the right to sue for passing-off the goods of the proprietor.⁹⁸ It was further held that the Federal High Court has no jurisdiction for passing-off claims arising from infringement of Trade Mark which has not been registered as in the instant case. The right is only available where there is an infringement of a Trade Mark registered under the said Act.⁹⁹

⁹³ *Multimalt Limited v. Premier Breweries Limited* (1997-2003) 4, I.P.L.R. p. 22

⁹⁴ It is pertinent to note here that where a Plaintiff does not manufacture or produce any goods at all, no goodwill or reputation can attach to the name Multimalt incorporated by the Plaintiff.

⁹⁵ *Soul Publications Limited v. Sweet Hearts Publications Limited* [1997-2003] 4, I.P.L.R. 14

⁹⁶ Section 3, Trade Marks Act, Laws of the Federation 2004

⁹⁷ *Goodlife Electronics v. Austec Obison Investment Ltd.* [1997-2003] 4 I.P.L.R. 476

⁹⁸ Section 22(2) of the Trade Marks Act, Laws of the Federation 2004.

⁹⁹ See the case of *Nigerian Distillers Limited v. Rufson Distilleries* (1997-2003) 4, I.P.L.R. p. 11

In *Nigerian Distillers Limited v. Rufson Distilleries*,¹⁰⁰ the Plaintiff was the registered proprietor of the Trade mark "Seaman Schnapps" and the word, Seaman Schnapps used by the Defendants looked alike both in writing and pronunciation capable of confusing the public to believe that it is the plaintiff's product that they are buying. It was therefore contended that there was an infringement of the plaintiff's Trade Mark and there is a passing-off of the same by reason of that infringement. It was held that a passing-off case *simpliciter* can be instituted at the Federal High Court, for the infringement of any registered or unregistered Trade Mark.¹⁰¹ Another distinction between trade mark infringement and passing off is that in passing off, it is essential that the plaintiff proves his reputation by evidence but this is not necessary for proving trade mark infringement.¹⁰² It is the property right in the trade mark itself that is protected whilst passing off protects a trader's goodwill. A trade mark may therefore be registered before any use is made of it whereas it is implicit in the nature of goodwill that trade under the mark have already established a reputation in the buying public's mind.¹⁰³ In addition, a passing off action is considered costly and time-consuming simply because the reputation's existence must be proved to the court rather than the fact of registration. The use made of a trade mark may outstrip the ambit of registration whereas the tort of passing off continues to protect whatever reputation is achieved through use of the mark. Passing off is also not constrained by the technicalities of defining what a registrable mark entails.¹⁰⁴

Conclusion

This paper has given a detailed discussion on Passing-off and Trademarks in Nigeria and how the two causes of action are closely related. It has been stated that there are two main reasons why a trader would wish to pass off his goods or services as being those of another established trader. Firstly, by passing off the good, the consumers might be confused as to whom they are dealing with; whilst the second is that sales might be boosted by unjustifiably imputing a quality to the second trader's goods that is widely recognized in connection with the goods of the established trader. In both cases, the established trader suffers damage by a shortfall in trade; and the damage may be even more far-reaching in that the trader stands to lose his goodwill and reputation for high quality goods especially if because of the misrepresentation, the buying public, at the end of the day, associate inferior goods to the established trader.¹⁰⁵ Trade Mark on the other hand, states that any mark must be registered by the Registrar of Trade Marks who will then include same in the Trade Mark Journal and the plaintiff will be issued a Certificate of Registration. Therefore, it can be shown from the above case laws that passing off is viewed primarily as a remedy for the owners of unregistered Trade Marks.

¹⁰⁰ Ibid.

¹⁰¹ Section 3, Trade Marks Act, Laws of the Federation 2004

¹⁰² Shyllon, F., op.cit at p.239

¹⁰³ Ibid.

¹⁰⁴ Ibid. See Colston(1999) *Principles of Intellectual Property Law*; at p. 309

¹⁰⁵ This is said to be a continuing concern for traders dealing with high quality goods. This is also a risk for producers of manufactured goods who suffer at the hands of pirates. See Bainbridge, D. , op.cit at p. 859