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Managing Intellectual Property™



Trade Mark Yearbook 1996

Contents
Trade Mark
Yearbook 1996

Introduction

- 3** The Trade Mark Yearbook 1996
Dr Jeremy Phillips
- 6** Tobacco trade marks under attack
RJ Reynolds Tobacco Company
- 8** The fight against counterfeits in Asia
Louis Vuitton Malletier
- 10** Trade marks in a company looking to the future
Ciba-Geigy
- 12** An opportunity for trade mark owners
Hofman-Bang & Boutard, Lehmann & Ree A/S
-

United States

- 16** Trade mark developments in the US
Brumbaugh Graves Donohue & Raymond
- 19** Domain names and trade mark law
Piper & Marbury LLP
- 21** Shape and colour trade marks in the US
Fish & Neave
-

Asia

- 24** Indian trade marks in perspective
Anand & Anand
- 26** Trade mark protection in Indonesia
Kartini Muljadi & Rekan
- 28** Reforming the Japanese Trade Mark Law
Yuasa & Hara
- 30** Recent developments in Korean trade mark law
Lee & Ko
- 32** Honest concurrent use of marks in the Philippines
Carag Caballes Jamora & Somera
- 34** Increased trade mark protection in Singapore
Donaldson & Burkinshaw
- 37** Trade marks in Vietnam
INVENCO
-

Africa and the Middle East

- 38** Trade mark regulations in Nigeria and the challenges of TRIPs
Chris Ogunbanjo & Co
- 40** Another community trade mark? (South Africa)
Spoor & Fisher
- 42** The UAE Federal Trade Mark Law
Afridi & Angell
-

Latin America and the Caribbean

- 44** Argentinean Trade Mark Law
Etcheverry & Etcheverry
- 46** Trade marks in the Bahamas
Harry B Sands & Co
- 48** Concurrent use of marks in Colombia
Cardenas & Cardenas
- 50** Trade mark developments in the Dominican Republic
Orlando Cruz Franco Oficina de Abogados
- 52** Trade mark infringements under Mexican law
Olivares & Cia
- 54** Trade mark law in Trinidad & Tobago
JD Sellier & Co

Trade marks regulations in Nigeria and the challenges of TRIPs

While Nigeria will have no trouble in amending its trade mark laws to reach TRIPs standards, write Abimbola Ogunbanjo and Chidi Oguamanam of Lagos firm Chris Ogunbanjo & Co, enforcement remains a serious problem

The substantive law on trade marks in Nigeria is the Trade Marks Act 1965 which is fashioned materially after the old UK Trade Marks Act of 1938. Criminal sanctions are imposed on trade mark counterfeiters and infringers by The Merchandising Marks Act and Trade Malpractices Act.

Nigeria is a signatory to the Paris Convention for the protection of intellectual property and, as such, trade mark owners in the Convention countries enjoy a broader scope of protection over other applicants for trade mark registration in Nigeria.

As a member of the World Trade Organization (WTO), Nigeria is classified as a developing country and is therefore obliged to bring its intellectual property laws in conformity with the agreement on Trade Related Aspects of Intellectual Property (TRIPs) within four years. Because of the historic origins of its trade mark legislation, achieving TRIPs compatibility should not be difficult. What is abundantly clear though, is that the present scope of trade mark coverage must be extended to be in line with the protectable subject matter enumerated in Articles 15 and 22 of TRIPs. There is also no gainsaying that the administration and enforcement of the relevant laws must be equally brought up to the minimum standards demanded under TRIPs.

Scope

Generally, a mark is registrable for its distinctiveness in either part A or part B of the trade marks Register. A trade mark will be refused registration if there is an existing registered mark in respect of the same goods or class of goods. There are, however, two exceptions to this rule. Firstly, an honest concurrent use may be allowed subject to such conditions that may be imposed by the court or Registrar. Registration may also be permitted where the applicant can establish history of long usage. Hence, unregistered but well known trade marks are protected, save that the owner's remedy lies solely in a passing off action under the common law.

The trade marks law expressly prohibits the registration of any mark considered to be scandalous or immoral in use or nature. Applications of this nature are rare and consequently the acceptable level of morality which a trade mark must bear is yet to be judicially interpreted. Experience, however, indicates that a mark for local or international use which bears adverse cultural or religious implications may be refused registration in Nigeria on grounds of public policy. Admittedly, this practice is incompatible with TRIPs, as Section 2, Article 15 expressly states that "the nature of the goods or services to which a trade mark is to be applied shall in no case form an obstacle to registration of the trade mark". How this issue will be reconciled with the attendant cultural and religious sentiments in Nigeria will be interesting to see.

At present, there is no protection for the distinctive shape of goods, service marks, collective marks or marks indicative of geographical indication as required under TRIPs. These shortcomings have, however, been addressed by the Law Reform Commission who have included these items in the Industrial Property Draft Law, which is awaiting legislative affirmation.

Licences

There are no provisions in the Trade Marks Law for licensing. Instead assignments and registered user agreements are entered into in instances where the mark is to be used by persons other than the registered proprietor. In most cases terms and conditions are attached to limit the user's ability to deal in the mark which at least reduces incidence of trafficking and loss of descriptive character.

Infringements and remedies

Unregistered marks are protected by the common law action of passing off and to succeed the plaintiff must establish and associate its reputation to the product, and must prove damage or the likelihood of damage by the adoption of that name by the defendant.

Available civil remedies against infringement of a registered mark include an order for damages or an injunction restraining further violations. Interlocutory relief such as the Anton Pillar Order is also available in cases where there are urgent and compelling grounds to enter, search and seize the infringing articles from the defendant's premises. Cancellation proceedings can be instituted for non-use or deceptive use of a trade mark. In the *Beecham Group Application*, the proprietors of Lucozade (transferees of Lucozade Ltd of Middlesex, UK) applied for cancellation of an infringing mark called Glucos-Aid owned by the defendants, Esdee Foods. The court accordingly ordered the cancellation of the latter mark. An aggrieved party may also file an opposition to a registration, provided such action is taken within two months from the date of publication of the offending mark. Application may be made to the court or Registrar to rectify the register in cases where the mark has been entered wrongly or has been entered without sufficient cause.

Responding to TRIPs

Nigeria commenced the policy of guided deregulation in 1995 which entailed the liberalization of its economic policies. These measures include the reduction of import tariffs and the elimination of foreign investment restrictions.

Recently enacted investment laws, particularly the Nigerian Investment Promotion Commission Act (NIPC) have implicitly adopted Gatt consistent policies on National Treatment and Dispute Settlement. For example, the NIPC has eliminated the distinction between foreign and local investment for the purposes of permissible equity holdings. In the area of dispute settlement procedures, the NIPC has expressly provided for the resolution of conflicts to be set-

tled within the bilateral or multilateral agreements on investment protection to which Nigeria and the country of which the investor is a national are parties. This novel provision is an invitation to Nigeria's trading partners to further safeguard their investments by entering into these agreements with the Ministry of Commerce and Tourism.

The pro-growth economic policies the government has recently embarked upon are soon to affect intellectual property rights holders. There are continuous efforts being made to sensitize the authorities that weak intellectual property rights protection in a developing country such as Nigeria ultimately lowers the probability that multi-national firms will invest there. And that even if they do invest there, they may be willing to invest only in wholly owned subsidiaries or to transfer only older technologies.

The major threats to IP rights holders in Nigeria are copying and counterfeiting and in this regard the enforcement of existing laws must be drastically improved upon. The law enforcement agencies such as the Customs and members of the Trade Malpractice Investigation Panel must be sufficiently enlightened to be alert to the importation of infringing articles. In this regard the future Reform Committees on Intellectual Property must be mindful of the pre-emptive action contained in Art 51, Section 4 of TRIPs which requires member countries to: "Adopt procedures to enable a right holder, who has valid grounds for suspecting that the importation of counterfeit trademark or pirated copyright goods may take place, to lodge an application in writing with competent authorities administrative or judicial, for the suspension by the customs authorities of the release into free circulation of such goods." If the machinery to accomplish this task and other enforcement elements are firmly put in place, it would go a long way to combating the menace of piracy and setting Nigerian IP legislation on the right path to achieving TRIPs conformity. The consequence of inertia is best summarised by a recent statement of the Chairman Emeritus of Pfizer Inc, Edmund T Pratt, who said: "Treaties, agreements and laws made without the ability to enforce them are worse than none at all."

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