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RECOMMENDED WAYS TO PROTECT PENDING TRADEMARKS IN NIGERIA¹

The need to protect a trademark² cannot be overemphasized as businesses expend a lot of time and resources in creating and developing unique products and services which tend to set them apart from their competitors. Trademarks represent critical assets³ which require protection to enable businesses effectively compete in the various industry markets.

From experience, the process of trademark registration in Nigeria may be quite lengthy, despite the efforts of the current Trade Mark's Registrar, IP practitioners and other stakeholders to hasten the process. Due to this lengthy registration period, it is essential that a proprietor of a pending trademark⁴ takes proactive steps to protect its trademark as much as possible between the period when the trademark registration commences and the issuance of a trademark certificate. A pending trademark has the status of an unregistered mark even after an acceptance letter has been issued. In the case of *Wellcome Foundation*

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² According to the Trade Marks Act CAP T13, Laws of the Federation of Nigeria 2004 a trade mark "means 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 either as proprietor or as registered user to use the mark, whether with or without any indication of the identity of that person, and means..." See section 67.

³ Charles Internicola, Internicola Law Firm <<https://www.franchiselawsolutions.com/blog/what-is-trademark-goodwill/>> accessed on 19 September 2018.

⁴ A pending trademark is a trademark application that has been accepted at the Trade Marks Registry but has not completed the registration process; and a certificate of registration has not been issued. The Nigerian Trade Marks, Patent and Designs Registry under the Commercial Department of the Ministry of Trade and Investments is responsible for trademark registrations in Nigeria.

*Limited and Anor v. Ranbaxy Montari (Nig.) Ltd*⁵ the issue was whether the acceptance of an application before actual registration of the trade mark would vest the applicant with an equitable title in the interim to sustain an infringement claim. The court held that the Trade Marks Act does not recognise the vesting of an equitable title in a proprietor whose application had been accepted but not yet registered, so as to entitle the claimant to injunctive relief based on a protectable right.

A registered trademark⁶ confers on the proprietor exclusive rights of use and the right to sue for infringement in the event of unlawful use.⁷ However, this protection does not extend to the proprietors of unregistered or pending marks.⁸ In *Hondret and Co. Ltd v. Registrar of Trade Mark*,⁹ the Registrar relied on section 13(1) of the Trade Marks Act in refusing the application to register the trademark “Rose Fresh Air Freshner” on the ground that it conflicted with an earlier pending mark. The court held that section 13(1) of the Trade Marks Act can only apply when the mark sought to be registered conflicts with a mark already registered and not when both marks are the subject of pending applications. Thus, a proprietor of a pending mark may not restrict prior or new identical or confusingly similar applications from use by third-parties. This creates a conflict when multiple applications for similar or identical trademarks are filed by different proprietors at the registry. The Trade Marks Act provides that in such circumstance, the Registrar may refuse to register any of the applications until their rights have been determined by the court or have been settled by agreement in a manner approved by the registrar or by the court on appeal from the registrar.¹⁰ This poses a major challenge to proprietors as all similar or identical pending

⁵ (1994) F.H.C.L.R. 353.

⁶ A registered trademark confers on the proprietor the exclusive right to use and prevents unauthorised use or adoption of the mark by others.

⁷ Section 13(1) of the Trademark Act provides that “*no trademark shall be registered in respect of any goods or description of goods that is identical with a trademark belonging to a different proprietor and already on the register in respect of the same goods if description of goods or that resembles such trademark as to be likely to deceive and or cause confusion*”. While section 5 of the Trademark Act provides that “*subject to the provisions of this section and of sections 7 and 8 of this Act, the registration (whether before or after the commencement of this Act) of a person in Part A of the register as proprietor of a trade mark (other than a certification trade mark) in respect of any goods shall, if valid, give or be deemed to have given to that person the exclusive right to the use of that trade mark in relation to those goods*”.

⁸ According to section 3 of the Trade Marks Act, a proprietor of an unregistered mark cannot institute any proceeding to prevent, or recover damages for infringement.

⁹ (1979) F.F.C/L 203.

¹⁰ Section 13(3) of the Trademarks Act provides that “*where separate applications are made by different persons to be registered in respect of the same goods or description of goods as proprietors respectively of trademarks that are identical or nearly resemble each other, the Registrar may refuse to register any of them until their rights have been determined by the court*”.

marks will be accepted¹¹ and allowed to proceed to the opposition stage where the proprietors would be required to either prove their rights to the marks before the registrar or the court, or reach an agreement as to the ownership and use of the competing marks. The proprietor that succeeds at this stage maintains ownership of the mark and a certificate of registration will be issued in its name. Due to this current state of the law, proprietors of pending marks may lose their marks to other proprietors, after expending time and resources in the process of trying to secure a registration.

Proprietors can curb these exigencies by protecting and securing rights to their pending marks through the following avenues:

1. Using the trademark

Continuous use of a mark in relation to the specific good and/or services creates awareness of the mark and ultimately develops relevant goodwill and associative brand recognition by purchasers in the course of trade. Goodwill is the inherent value and recognition of a mark amongst consumers.¹² Prior to using a trademark it is important to conduct a clearance search at the Trade Marks registry and depending on the value of the brand and liquidity of the proprietor to also carry out a market survey to ensure the trademark does not conflict with any registered mark or any mark that is already in use.¹³ This would avoid encroaching on the rights of other trademark owners and a possibility of subsequent loss of ownership rights.

Continuous use of a trademark is the major way of acquiring common law rights¹⁴ to a trademark and the proprietors of such marks can enforce their rights against an infringer through an action for passing-off instituted at the Federal High Court. Section 3 of the Trade Marks Act implicitly recognizes the right to maintain an action for passing off under the common law. It is also recognised in section 7 of the Trade Marks Act, that a proprietor of a registered mark cannot restrain another proprietor from use of a mark similar to his, which has been continuously used before the proprietor registered his mark.¹⁵ Similarly, in *American Cyanamid Co. v. Vitality Pharmaceutical Ltd.*,¹⁵ the Supreme Court held that the proprietor or registered user

or have been settled by agreement in a manner approved by the registrar or by the court on appeal from the registrar.”

¹² Charles Internicola, Internicola Law Firm <<https://www.franchiselawsolutions.com/blog/what-is-trademark-goodwill/>> accessed on 19 September 2018.

¹³ A proprietor could also search business directories and the internet.

¹⁴ Jane Haskins, Esq, Legalzoom < <https://www.legalzoom.com/articles/what-are-common-law-trademark-rights>> accessed on 19 September 2018.

¹⁵ (1991) 2 NWLR (Pt.171) 15.

of a trademark is not entitled to interfere with an existing trademark even if identical or nearly resembling his own, if that other mark has been in continuous use before the registration of his own trademark.

Evidence of use and acquisition of goodwill of a trademark is sufficient proof of vested rights to the mark and a proprietor of a pending mark that has continuously used and acquired relevant goodwill, is more likely to succeed at the opposition stage and maintain ownership of the mark.

2. Advertising and publicity

Advertising specific products or services bearing the proprietor's trademark is also a good way of further increasing awareness of a mark amongst consumers and it enables consumers identify the mark in relation to specific products/services whilst distinguishing it from competing products/services. The 'TM' symbol¹⁶ may also be used after a trademark on a product or service to inform the public that the mark has acquired common law recognition and/or there is a pending application for the registration of such trademark at the registry. This may also discourage other proprietors from using the mark or applying for similar or identical trademark.

3. Cease and desist letters

Cease and Desist letters¹⁷ may also be used to dissuade the competing proprietor from using and/or proceeding with registration of the mark. It is used to curb infringement at an early stage and to threaten further legal action if infringement continues. The letter should contain sufficient evidence of rights to the mark such as evidence of use and acquisition of goodwill which predates use by the putative infringer of the mark. This is usually the first step taken before commencing an action for passing off/infringement and this could also cause the competing proprietor to withdraw his application at the registry and save the owner of the senior trademark the aggravation, time and expense of having to prosecute a lawsuit.

¹⁶ TM stands for Trademark. It is used before an application is filed or during the application process to inform potential infringers that a trademark is being claimed. However, using TM does not guarantee that the mark will be protected under the Trade Marks Act. See International Trademarks Association (Fact Sheets on Trademarks) available at <<https://www.inta.org/trademarkbasics/factsheets/pages/trademarksymbolsfactsheet.aspx>> accessed on 19 September 2018.

¹⁷ A demand letter sent to an individual/business to discontinue use of a trademark based on an overriding claim of right to the mark, failing which, an action may be instituted against the alleged infringer.

CONCLUSION

Proprietors need to protect their pending marks as a mere trademark application or acceptance letter issued in response to an application does not guarantee any worthwhile protection against use or similar application by other proprietors, except where the first to file enjoys legitimate irrefutable claims of ownership. Proprietors need to carefully strategize steps to protect their trademarks by acquiring goodwill in the brand even before filing an application. Proprietors should also pay close attention to the market and work with their legal advisors to curtail infringement at the early stages as far as this is feasible. Cease and Desist letters have also proven to be effective ways to protect a pending trademark. An innocent infringer of the trademark may be persuaded to desist from proposed or continued use or to withdraw his application at the registry after the receipt of a Cease and Desist letter.

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