DOI: https://doi.org/10.67203/abulj.2015.f6q7z486

ISSUES AND CHALLENGES IN THE PROTECTION OF TRADEMARK RIGHTS IN NIGERIA

AMEH, Isaac*

1.1 Introduction

Trademark counterfeiting and its devastating effects raise alot of concern for the lapses in an economy because of a strong desire of unscrupulous individuals for quick wealth which makes infringers to cut corners in order to be rich. In Nigeria some major places and markets where counterfeits are generally found include Onitsha market in Anambra State, Aba market in Abia State, Alaba market Lagos State, Ibrahim Badamasi Babangida market in Minna town, Abubakar Rimi market in Sabon gari Kano town which are allegedly dominated by counterfeiters, creating barriers of entry for the producers of the genuine products[1]. The situation is so bad that trademark counterfeiting is fast becoming a full time vocation or profession for some individuals, and they even have apprentices to take over from them. The demand for general legal protection against unfair imitation of marks and names is a product of industrial production which the manufacturers were identified with. Thus, distinguishing products from others by trademarks became very important. Most advertisements teach the consumers to buy by product mark or manufacturing, household name and keep reiterating the message in the hope of persuading buyers not to deviate to rivals.

As Nigeria advances industrially, there is indeed a great need for the protection of trademarks rights. However, this met with a lot of challenges for enforcement. In this country, there are many fake products with marks imitating the trademarks and names of the genuine manufacturers being smuggled into the country from some foreign countries. Apart from these fake products which are imported, many other counterfeit products which are produced locally within the country also carry marks which imitate often times the trademarks and names of the genuine Nigerian and non-Nigerian manufacturers. The thrust of this paper is to examine the issues and challenges that make the protection of trademark ineffective in Nigeria. It would recommend appropriate steps in combating these challenges and other

*LL.B, LL.M., Ph.d., BL, Faculty of Law, Ahmadu Bello University, Zaria

[1] Waziri, K.M. The Law of Trademark and the Economic implication of Counterfeiting in Nigeria, Kogi State University Anyigba, *Bi-Annual Journal of Public Law* (KUS BJPL Vol.2, (2009) p.288.

trademarks problems.

1.2 Meaning Of Trademark

Trademark[2]: is described as "a name, logo, distinctive get-up or label (symbol) which a firm uses to promote and identify goods and services and to differentiate them from those of its competitors"[3], such as, Binatone (electrical equipment), Honda (automobiles) and Hewlett-Packard (computer equipment). A trademark is regarded as property. Hence the mere fact of ownership confers certain rights on proprietors. It follows therefore that when a person acts in a manner that is inconsistent with the rights of the proprietor in relation to a particular trademark, that person interferes with these rights unless he previously obtained the proprietor's consent for such an act. The law of trademarks is therefore based primarily on the development of one's commercial endeavour anchored on its reputation with existing and potential clients. Williams[4] once expressed that: "reputation is reinforced if the goods or services provided are associated with a distinctive name or symbol with which the public can become familiar and which can be used to identify those goods or services. Sometimes the name is used to identify the manufacturer, sometimes the seller".

According to section 67 of the Trademark Act[5], "trademark"

> *means, except in relation to a certification trademark, 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, in relation to a certification trade mark, a mark registered or deemed to have been registered under section 43 of this Act.*

The Supreme Court of Nigeria in the case of **Ferodo Limited & Anor v. Ibeto Industries Limited**[6] defined it as:

---

[2] Section 67, Trademarks Act, Cap.T13 Laws of the Federation of Nigeria, 2004.

[3] Richard, A.S., Patent, Copyright and Trademark, An Intellectual Property Desk \Reference 9th edition (2007) p.438.

[4] Williams, J.F. *A Manager's Guide to Patents, Trademarks and Copyright* (1986) p12.

[5] Trademark Act, Cap T13, Laws of the Federation of Nigeria, 2004

[6] (2004)5 NWLR Part 866 at 235.

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 persons having the right either as a proprietor or a registered user to use the mark. A trade mark can also be defined as a distinctive picture which would indicate to a purchaser of an article bearing it, the means of getting the same article in future, by getting an article with the same mark on it.

In the case of **Smithkline Beecham Plc v. Farmex Limited**[7], the Court of Appeal defined trademark thus: "A trademark or trade name is a name protected by law (Trade Marks Act). It could be a name, word, design or symbol used by a manufacturer to identify his product and also to distinguish it from other products made by other manufacturers and sellers".

In both the statutory and judicial definitions the phrases "used or proposed to be used" and "a connection in the course of trade" is used. "Used or proposed to be used" in this context means to clearly indicate that the actual use of a mark is not required before the mark can be accepted for registration. Indeed, as most traders are normally anxious, before adopting a mark as a trademark, to ascertain whether it will be registrable, they will certainly find this provision useful[8].

1.3 Rights Of Trademark Proprietor

A trademark is a right in favour of a person in respect of any unique expression relating to his goods and services. The rights of proprietor includes, right of registration in any of the parts A or B, right to exclude others, right to sue and be sued, right of assignment, right of transmission and right of licensing. Proprietor may be individual, registered corporate body, or firm[9]. At this juncture it is pertinent to highlight the rights that accrue to the proprietor upon registration of trademark.

1.3.1 Right of Registration

Section 49 of the Trademark Act provides that: "in all legal

---

[7] (2010)1 NWLR 285

[8] Babafemi, F.O.B. *Intellectual Property: The Law and Practice of Copyright, Trademarks, Patents and Industrial Designs in Nigeria*, First Edition, Justinian Books Limited (2007) p.178..

[9] Section 9(1) of the Trademark Act, LFN 2004. See also the case of **A.B. Chami & Co. Ltd. v. W.J. Bush & Co. Ltd** (1996)F.H.C.L.R 115.

proceedings relating to registered trademark, the fact that a person is registered as proprietor of the trademark shall be *prima facie* evidence of the validity of the original registration of the trademark and of all subsequent assignment and transmission thereof". A proprietor of trademark has a right to register his mark either in Part A or Part B of the register. In Part A the mark must be distinctive on registration whereas in Part B the mark should be capable of becoming distinctive in use. Registration of trademark confers on registered owner with exclusive right to the use of trademark in relation to goods mentioned in the register[10]. The Supreme Court in the case of **Dyktrade Ltd v. Omnia Nigeria Ltd**[11] held that unless a trademark has been registered, the proprietor cannot maintain an action for infringement of a trademark. Therefore, registration confers right of action on registered owner. An application for trademark registration may be made by proprietor himself or his agent[12]

1.3.2 Right to Exclude Others

The registered owner has the exclusive right to use the trademark. This is anchored in section 5(1) of the Act [13] which states that "...registration of a person in Part A of the register as proprietor of a trademark 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 trademark in relation to those goods". The case of **A.B. Chami & Co. Ltd. v. W.J. Bush & Co. Ltd**[14] is very relevant to this provision. Justice Mustapha in that case held that it is the registration of a trademark that gives the proprietor exclusive right to the use of the mark in relation to the goods in respect of which its registered so is evidence of title. This means that the right of the owner of the trademark to affix it on goods, containers, packaging labels and so on or to use it in any other way in relation to the goods for which it is registered, is guaranteed.

In the case of **Seven-Up Co. & Anor v. Warri Bottling Co**[15], it was held that the section 5(1) gives to the proprietor of a registered trademark, a comprehensive and far reaching right much more than the right the Common Law of passing-off provided. Similarly in **Dyktrade Ltd v. Omnia**

---

[10] Sections 5 and 6 of Trademark Act, op cit.
[11] (2000)12, NWLR (Part 680) 1.
[12] Ducrons S.A. v. Silas Industries & Trading Co. Ltd (2003) F.H.C.L.R. 215.
[13] Trademark Act, op cit.
[14] (1996)F.H.C.L.R 115
[15] (1984) F.H.L.R. 75

Nigeria Ltd.[16], the Court held that nobody acquires the status of the 'proprietor' unless that person, in relation to the trademark, is the owner, importer, exporter, shipper or any other person for the time being, possessed of or beneficially interested in the goods to which the trademark is applied.

The proprietor can object or prevent any other registration of mark that will cause confusion or deceive or nearly resemble his mark. In the case of **Alban Pharmacy Ltd v. Sterling Products International Incorporated**[17] the appellants were the proprietors of the trademark 'Castoria' registered in Nigeria. They raised objection to the registration of another one proposed by the respondents 'Casorina' on the ground that it is similar to their registered trademark and that it was calculated to deceive consumers. The Supreme Court upheld the objection of the appellants. The decision was based on the principle that a consumer not seeing the two marks may be deceived or confused by the trademark. Similarly, in the case of **NABISCO Incorporated v. Allied Biscuits Co. Ltd**[18], the proceedings originated from the applications of both parties for registration of a Trade mark 'Ritz'. Earlier the Respondent filed an application to register "Ritz' as a trademark after conducting searches in the Trademark Registry and the application was accepted. Thereafter, Nabisco Inc. the appellant made an application for the same "Ritz' to be registered as their Trade mark. The application of the appellant was advertised in the Trademarks Journal at the instance of the appellant. When the Respondent noticed the advertisement, it commenced opposition proceedings in the Trademark Registry. The Registrar refused to register 'Ritz' device for appellant. The Supreme Court upheld the decision of the Registrar.

1.3.3 Right of Assignment and Transmission

A registered trademark may be assigned in the same way as other personal property such as houses, vehicles, land and so on. Section 29 of the Trademark Act provides that:

> *Subject to the provisions of this Act, the persons for the time being entered in the register as proprietor of a trademark shall, subject to any rights appearing from the register to be vested in any other person, have power to assign the*

[16] (2000) 12, NWLR (Part 680) 1
[17] (1968)All N.L.R. 292
[18] (1998) 10 N.W.L.R (Part 568) 16..

trademark, and to give effectual receipts for any consideration for an assignment therefor.

One of the judicial authorities relating to this provision is **A.B. Chami & Co. Ltd. v. W.J. Bush & Co. Ltd**[19] where it was held that in the event of assignment of a registered trademark, there must be evidence of the fact of assignment. Application made to the Registrar to register the Deed and the certificate of assignment issued by the Registrar. The details of the assignment will then be registrable (although the document evidencing the assignment need not be adduced provided the assignor and assignee sign the form) and will be subject to essentially the same rules concerning registration. The mark may be assigned in whole or in part, for all or some of the specified goods or services, or for the use of the mark in a particular manner or a particular locality.

The proprietor of a trademark also has a right of transmission. According to section 26(1) and (2) a registered trademark is transmissible either in connection with the goodwill of a business or not. Subsection (2) further provides that: "a registered trademark shall after the commencement of this Act be assignable and transmissible in respect either of all the goods in respect of which it is registered, or was registered, as the case may be, or of some (but not all) of those goods".

1.3.4 Right of Licensing

A proprietor may grant license because he is unable to provide all the relevant goods and services from its own resources. The grant enables the licensee to use the trademark for specified goods or services without occasioning an infringement. A trademark license is a permission to do an act that would otherwise be prohibited without the consent of an owner of a trademark. That means when the owner of a trademark allows another to use the mark, a license is granted. The license granted may be express or implied, general or limited, informal or in writing, exclusive, sole or non-exclusive. Restrictions on the "sale of trademarks have gradually been eased" per Lord Nicolls in **Scandecor Development AB v. Scandecor Marketing AB**[20].

However, under trademark law a license amounts to much more than a mere permission to use a mark. In the absence of an agreement to the

---

[19] (1996)E.H.C.L.R. 115

[20] (2001) F.S.R 122, HL at 130

contrary, a trademark license binds a successor in title to the grantor's interest[21]. A license to use a trademark does not of itself confer any proprietary interest but amounts to permission to use which prevent any allegation of infringement. However, concurrently with the rights of the registered proprietor, an exclusive licensee is given rights and remedies as though he were an assignee[22]. The licensing of trademarks, which facilitates merchandising, franchising, and distribution, agreements more generally, is at the heart of a multi-billion pound industry that pervades the way goods and services are distributed, marketed and sold both domestically and internationally[23].

1.4 Infringement Of Trademark Rights

1.4.1 Unauthorized Use of Trademark

The right to a trademark is infringed if another person without the licence of the proprietor does or uses any mark that other persons are precluded from registration under the

> *Merchandise Mark Act. Section 4(a)(b)[24] provides that:*
> *A person shall be deemed to forge a trademark who either-*
> *(a) without the assent of the proprietor of the trademark, makes that trademark or a mark so nearly resembling that trademark as to be calculated to deceive, or*
> *(b) falsifies any genuine trademark, whether by alteration, additional effacement, or otherwise, and any trademark or mark so made or falsified is in this Act referred to as a forged trade mark:*
> *Provided that, in any prosecution for forging a trademark, the burden of proving the assent of the proprietor shall lie on the defendant*

Similarly, what constitutes infringement of trade mark had judicial pronouncements in the case of **Smithkline Beechman Plc v. Farmex Ltd**[25] where the court held that: "...the rights accruable under the Act will be

---

[21] Bentley, L. and Sherman B, *Intellectual Property Law*, Oxford University Press New York (2001) p.903.
[22] Cornish W.R and Llewellyn D. *Intellectual Property: Patents, Copyright, Trademarks and Allied Rights*, 6th ed. Sweet & Maxwell (2007) p.686
[23] Bentley, L. and Sherman B, op.cit 905.
[24] Merchandise Marks Act, Cap.M10, Laws of the Federation of Nigeria, 2004.
[25] (2010)1 NWLR part 1175 at 285.

deemed infringed by any person who not being the proprietor or registered user, uses a mark or marks so nearly resembling as to be likely to deceive or cause confusion in the course of trade in relation to any goods in relation to which it is registered". Also in **Alliance International Ltd v. S.K. International Enterprises Ltd**[26], learned Justice Rhodes-Vivour agreed with section 5(2) of the Trademark Act thus: "...trademark is infringed by a person who, not being the proprietor of the trademark who uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion in the course of trade".

1.4.2 Cybersquatting or Domain Name Infringement on the Internet

Cybersquatting originated at a time when most businesses had no practical knowledge or understanding about the commercial opportunities on the internet. Some entrepreneurial individuals registered the names of well-known companies as domain names with the intent of selling the names back to the companies when they finally realized the economic potential of the internet[27]. Panasonic, Fry's electronics and Avon were among the early victims of cybersquatters. It should be noted that cybersquatters are rapidly diminishing because businesses now know the importance of registering domain names. There are two legal mechanisms of wresting the name from the cybersquatter. For example, a victim of Cybersquatting in the U.S. can now sue under the provisions of the Anti-cybersquatting Consumer Protection Act (ACPA) or can fight the cybersquatter using an international arbitration system created by the Internet Corporation of Assigned Names and Numbers (ICANN)[28]. A common variation on Cybersquatting is typosquatting in which misspelling of a domain name are used to mistakenly attract or mislead consumers. This could be lucrative when tied to the use of an internet advertising scheme such as Google Adsense. For example in **Lands' End Inc. v. Remy**[29], a typosquatter purchased domain names such as Inadsend.com and landswnd.com and then after sending the customer to the legitimate Land's End website, charged Land's End claiming that these were referrals under the Land's End referral proramme for which the typosquatter belonged under another legitimate domain. Land's End filed suit, and the

---

[26] (2010)13 NWLR part 1211 at 270. See also **A.B. Chami & Co. Ltd. V. W.J. Bush & Co. Ltd** (1996)FHCLR 115

[27] Richard, A.S op cit p.371,

[28] See the following cases to substantiate the issue of infringement in internet: **Harrods Plc v. UK Network Services Ltd** (1997)EIPR 0-106, **Glaxo PVC v. Glaxowellcome Ltd** (1996)FSR 388 and **Britol Telecoms Plc v. One in a Million Ltd** (1999)RPCL, 154

[29] (2006) 447 F Supp.2d 941

defendant's attempt to dismiss the suit was rejected.

1.5 Challenges Of Trademark Rights Protection In Nigeria

There are various factors responsible for the ineffective protection of trademark rights in Nigeria. Some of the challenges militating against the protection of trademark rights are hereunder discussed.

1.5.1 Legislative Deficiencies

a) Trademarks

Trademark Act in Nigeria has inherent statutory problems in section 67 based on definition of 'trademark' itself. The section is so worded that it lost the meaning. Another defect with the Trademark Act is the present definition of a mark does not include the packaging, shapes or presentation of goods. These are therefore not registrable. Further section 14(1)(2) creates confusion in that the dichotomy of registration in Part A and B of the register is uncalled for. Similarly section 4 of the Trademark provision on registration to be in respect of particular goods is not clear.

Again trademark does not provide for the registration of service marks. Efforts are however being made to review the Patents and Trademarks laws to introduce substantive examination, include service marks and generally make the law TRIPs compliant. Further, imposition of inadequate sanction on infringers encourage infringement, for example, sections 61 and 62 of the Trademark Act provides "any person who makes a representation that an unregistered trademark is registered, or that a registered trademark is registered in respect of goods for which it is not registered, or that registration confers exclusive right when in fact, it does not shall be liable on summary conviction to a fine not exceeding 200 Naira". Also section 3(3)(a)(b) of Merchandise Mark Act provision is grossly inadequate punishment for infringement, for example, if the matter is determined by the High Court the infringer is liable to 2 years imprisonment or a fine and if before Magistrate court the infringer is imprisoned for 6 months or a fine of N100.00.

The penalty for infringement especially piracy and counterfeiting is not sufficient to deter would-be offenders. The only remedy for an owner is civil action in court there is no provision in the law for criminal prosecution except in the area of copyright where the owner can institute a criminal action through the Nigerien Copyright Commission. Also sections 372 to 380 of the Penal Code create various offences similar to the Merchandise Marks

Act, including counterfeiting a property mark (section 375) making a false mark (section 378) and tampering with property marks (section 380). Terms of imprisonment range from one to three years or a fine or both. The punishments prescribed by Penal Code are so mild that it cannot deter infringers.

Section 13 of the Merchandise Marks Act states that: "no prosecution of an offence against an act shall be commenced after the expiration of three years after the commission of the offence or one year after the first discovery of the commission of the said offence, whichever time expires first". The time limitation placed on the complainant is indeed a major problem. This is because there are a variety of factors that may have to be considered prior to filing a complaint. Therefore, the limitation seems rather impractical and unjustifiable particularly foreign investors may be unable to bring an action within the stipulated time frame. It is considered that since the proprietor's rights remain valid as long as the trademark is renewed, he should not lose his rights to the time limitation of possible criminal prosecution.

b) Non Provision for Certain Registrable Marks

Firstly, the present Trademark Act does not have Service marks in the any of the sections. This is as a result of the lack of the provision in the United Kingdom Trademark Act of 1938 that served as a template for the Nigerian Trademark Act. However, it should be noted that in March, 2007 the then Minister of Commerce, by ministerial order made pursuant to the powers conferred by sections 42 and 45 (1)(b) of the Nigerian Trademark Act, extended the classes under which a Trademark may be registered from 34 classes to 45 classes, in line with the provisions of the 9th edition of the Nice Classification of goods. Accordingly, and effective from that date, service marks became registrable in those classes. Even though the action taken by the Minister to expand the classes under which trademarks can be registrable is commendable, it should be noted that the act of the minister merely expands the classification of goods, not the extension of registrable goods to service marks, as the wording of the Trademarks Act has remained unchanged, referring only to goods, and not services[30].

Further, the current trademark regime in Nigeria does not recognize a number of distinctive signs, colour or combination of colours, sounds, taste and smell marks, 3-dimensional signs as the shape of the goods or their

[30] Agbai, C. Trademarks Reforms Treaty Obligations and the Registry, *Nigerian Law Reform Journal*, Nigerian Law Reform Commission, Abuja (2012) p.84.

packaging, for example, the dimensional signs of Honda, Mercedes Benz, Toyota, Peugeot and so forth. Others are reputable distinctive slogans which are registrable in other jurisdictions like United Kingdom and United States of America. It is not as if those identified and recognized signs assumed the status of registrable trademarks arbitrarily by the force of legislative fiat. They attained the status actually by virtue and lure of commercial necessity, expediency of trade arising from remarkable increase and sophistication in the level of global commercial and industrial activities. The exclusion of these vital indices of trade from the list of registrable trademarks under our law and practice is a pointer to the volume of potential marks that could not find their way into our register to the frustration of proprietors, to the loss of revenue and to our handicap at effectuating our obligation at the level of various international cooperation initiatives on trademarks in particular and intellectual property in general[31].

Although Nigeria is a signatory to the Paris Convention for the Protection of Industrial Property and the TRIPS Agreement, however, it is only become enforceable law when domesticated. At moment, it is only of persuasive effect in Nigeria. These conventions have been ratified in countries such as China, South Africa and the United States of America. Under these conventions, a 'Well-known trademark' is to be protected, whether or not the mark is registered or used within the country. This is not protected under Nigerian law. Rather, greater prominence is placed on the use of trademark in Nigeria and the application and registration of the marks within the territory with reference to 'invented word or invented words'. The requirement that the mark be an invented word or words seems to greatly restrict the application of the provision since many of the most prominent trademarks worldwide were derived from words that were not invented by the proprietors. For example the word 'Sony' which is well known trademark traces its roots from the Hindi word which translates as 'beautiful[32]. This can be seen from the extent of protection provided under section 32 of the Act[33] relating to Defensive registration of well known marks, the only provision in the Nigerian laws which cater for these types of marks, *albeit* in a limited and outdated manner. This does not meet the current requirement for registration of trademarks as applicable in other jurisdictions.

---

[31] Oguamanam, C. op cit at p. 66
[32] Agbai, C. op cit. at p.86
[33] Trademark Act, op cit.

d) Inadequate Sanctions for Infringement

The criminal prosecutions of trademark offences are based on the Trademarks Act[34], Merchandise Marks Act[35] and in cases of Counterfeit and Fake Drugs Act[36]. Trademark offences are also prosecuted or conducted under Penal Code[37]. Section 60 of the Trademark Act provides that:

> *If any person makes or causes to be made a false entry, in the register, or a writing falsely purporting to be a copy of an entry in the register, or produces or renders of causes to be produced or tendered in evidence any such writing, knowing the entry or writing to be false, he shall be guilty of an offence and be liable on conviction on indictment to imprisonment for a term not exceeding seven years.*

Under section 61 of the Trademark Act:

> *any person who makes a representation that an unregistered trademark is registered, or that a registered trademark is registered in respect of goods for which it is not registered, or that registration confers exclusive right when in fact, it does not shall be liable on summary conviction to a fine not exceeding 200 Naira.*[38]

Section 3(1) of the Merchandise Marks Act creates the offence of product counterfeiting. Section 4 dealing with "forged trademark", provides that:

> *a person forging trademark is one who (a) without the assent of the proprietor of the trademark, makes that trade mark or a mark so closely resembling that trademark as to be calculated to deceive or, (b) falsifies any genuine trade mark, whether by alteration, addition, effacement, or otherwise, any trademark or mark so made or falsified in this Act referred to as a forged trademark.*

---

[34] Section 60 Trademark Act, op. cit.

[35] Section 3 Merchandise Act, op cit.

[36] Section 3 Counterfeiting and Fake Drugs and Unwholesome Processed Foods (Miscellaneous Provisions) A Cap C34, Laws of the Federation of Nigeria, 2004.

[37] Section 54 Penal Code

[38] *The Merchandise Marks Act is in pari materia to the United* Kingdom Merchandise Marks 1887.

It further provides that: "in any prosecution for forging a trademark, the burden of proving the assent of the proprietor shall lie on the defendant". Anyone convicted for an offence made under the Act before the High Court is liable to imprisonment for two years, or to a fine or both. If conviction is delivered at a Magistrate's court, the person is liable on summary conviction to imprisonment for six months or to a fine of N100. Apart from the order for delivery up which may be made by the courts at the conclusion of a civil action for infringement, the Merchandise Marks Act provides for forfeiture of the goods in respect of which prosecution was instituted, provided the accused person was found guilty. Though the Act does not specifically provide for it, the practice is that after a forfeiture order is made by the court, the goods concerned are normally destroyed. Copyright Act[39] specifically provides for forfeiture, delivery up to the owner of copyright or delivery up for total destruction at the discretion of the court, whether the alleged offender is convicted or not.

Section 372 to 380 of the Penal Code create various offences similar to the Merchandise Marks Act, including counterfeiting a property mark (section 375) making a false mark (section 378) and tampering with property marks (section 380). Terms of imprisonment range from one to three years or a fine or both. The punishments prescribed by Penal Code are so mild that it cannot deter infringers. Note that forgery of trademarks is capable of earning the infringers millions of Naira whereas the law provides smaller amount and or a very short term of imprisonment. With these and others watering ambiguity, penal provisions have not offered sufficient protection of trademarks owners.

1.5.2 Jurisdictional Challenges in Relation to Domain Names

Our current trademark law is territorially based. That means the protection of proprietor of trademark does not go beyond Nigeria. However, due to increase in the business transaction and transnational commercial activities, territorial law may not cope with the modern trend of globalization. Modern communication technology often is said to be the prime mover accelerating the pace of globalization of the markets and professions. Oladipo[40] once remarked:

---

[39] Section 16, Copyright Act, Cap C28, Laws of the Federation of Nigeria, 2004.

[40] Oladipo, B., Information Technology and The Law, The Nigerian Perspective Book 2, *Legal Digest Publishing* (2003) p.116.

The internet combines the capability of the mails, the fax, the phone, video, graphics, credit card, archive systems and more in a single, low cost, world-wide interactive computer network. This network brings together the clients, professionals, dealers, brokers, market quote vendor, banks, government and more in an electronic environment that knows no sovereign, is beyond the reach of any single regulator, respects no geographical boundaries and applies no special law. An information highway without road signs, signals and traffic corps.

The trend toward internet usage is such that a whole industry is growing up whose primary purpose is to provide efficient connections to this electronic network. Domain names are on the increase used by electronic technology such as banks, educational institutions, financial institutions, private and public enterprises in the conduct of their businesses. The expansion of the World Wide Web has led also to an expansion in trademark infringement claims and lawsuits involving the internet. The internet has in fact become the latest point of activity for trademark infringement. In domain name disputes, the party seeking to obtain the domain name typically relies on their trademark rights. In most cases, the domain name was identical to the company's well-established trademark. However, that fact alone is insufficient to prove a charge of trademark infringement[41].

The registration of a trademark grants protection from unauthorized use of the enterprise or product name by third parties and protects the trademark owner through damages claims and cease and desist claims. The evaluation of an enterprise or a trade or service mark depends, to a crucial extent, on its internet websites. The corporate site is an indispensable prerequisite for a modern enterprise or trademark image[42]. This applies independently of the possibly and the importance of e-commerce-activities since also enterprises without actual or potential possibility for online sales are judged on the basis of their website. This is serious challenge because domain names know no boundary or sovereign in terms of infringement on the internet. There will be jurisdictional challenges in respect of prosecution

---

[41] Tysver, D A Trademark Infringement and Domain Names. dtysver@bitlaw.com (1996-2013). Accessed on 9th May, 2013.

[42] Rudo, Joachim, *International Protection of Trademarks and Domains* http://internationaldomainlaw.org/inhalt.htm. Accessed on 6th November, 2012.

and enforcement of trademark rights touching on domain names.

1.5.3 Corruption as Result of Greed

Corruption connotes impropriety and all forms of reprehensible, indecorous or infamous conduct especially when it is evinced in the performance of official, quasi-official or fiduciary responsibility [43]. Corruption generally refers to an inducement by means of an improper consideration to violate some duty [44]. According to Black's Law Dictionary[45] however, corruption is defined as "depravity, perversion or taint, an impairment of integrity, virtue, or moral principles, especially the impairment of public official's duties by bribery. The word corruption indicates impurity or debasement and when found in the context of criminal law, it means depravity or gross impropriety" [46]. The Black's Law Dictionary explained it as "the act of doing something with an intent to give some advantage inconsistent with official duty and the rights of others, a fiduciary's or official's use of a situation or office to procure some benefit, either personally or for someone else, contrary to the right of others"[47]

In **Biobaku v. Police**[48], Bairamian J held that the word 'corruptly' does not simply mean improperly. He went on to define corruption thus:

> *the mischief aimed at by section 98 of the Criminal Code is the receiving or offering of some benefit, reward or inducement to sway or deflect, a person employed in the public service from the honest and impartial discharge of his duties. In other words, as a bribe for corruption or its price*

Corruption is promoted by infringers who target the police prosecutors, other law enforcement agencies and court officials, such as the Registrars, Exhibits Keepers, clerks and so on with the aim of evading the system by perverting the administration of justice with illicit monetary inducements[49]. This is done to influence the legal and regulatory processes

---

[43] Oyebode, A. An Overview of Corruption in Nigeria. A paper at the Roundtable on the Impact of Corruption on the Political Reform and Economic Recovery of Nigeria organized as part of the 20th Anniversary celebration of the *Nigerian Institute of Advanced Legal Studies*, March 30-31, (1999), p.2.

[44] Richard, L.B. Longman Dictionary of Law 7th edition (2007)

[45] Bryan, A.G. Black's Law Dictionary, 7th Edition (2007), p.348

[46] Rottin M.P. and Ronald, N.B. Criminal Law 855, 3rd ed. (1982)

[47] Bryan, A.G. Op.cit.251

[48] (1951)2 N.I.R. 30.

[49] Nwabachili, C.O. *Business Law Review, Nigerian Journal of Business and Corporate Law*, A Quarterly Journal Vol.I, No.I (2010), p.51.

by inducing the judges to 'fail' to stop illegal activities, that is, failure to exercise their discretionary powers particularly Anton Pillar Orders[50]. Due to these inducements even when enforcement agents arrest offenders, they cannot be prosecuted.

The overall negative effect of corruption in the erosion of the capacity of the nation to produce competent law enforcement agencies since the quality of services of law enforcement agencies are marred by graft and bribe taking. This has brought the perception of ineffectiveness of the protection of the proprietor of trademarks. Proprietor of trademarks is thus shortchanged and cannot expand because the benefit of the mark goes to infringers, denying the rightful owners.

1.5.4 Low Level of Awareness

Eventhough, there is improvement in Nigeria level of literacy, however, a larger percentage of the populace still remain illiterate, with the possibility of deception or confusion. The infringers capitalize on the ignorance of masses and launch their nefarious activities by affixing counterfeit trademarks to products or services especially in respect of scarce products like drugs. With this group of people in place, the possibility of deception or confusion is much greater than with the enlighten community. An educated person may be able to differentiate between genuine and counterfeit trademarks in some cases. It does not mean that he cannot also fall victim, but the chances are less and far in between. In contrast, the illiterate consumer only has a mental picture or impression of what he wants and he goes for it once he sees something like it. It may as in most cases, turn out to be counterfeit label on the product, for example, pharmaceuticals products, automobiles parts and electrical and electronic devices.

In our markets today, some manufacturers, all in a bid to make fast or quick money, imitate already existing marks that have gained reputation and goodwill over the years. Worse still is where these infringed products are sub-standard and of inferior quality which is not identifiable by illiterate consumers. With the low educational background, it becomes difficult to for consumers to identify such counterfeit thus could not reports same to appropriate authority for the arrest of offenders.

1.5.5 Insecurity of Lives and Property

Insecurity and unfriendly political and social environment hamper the

[50] ibid

effort of regulatory authorities to carry out their duties diligently. For example, during emergencies or insurgencies infringers or imitators of trademarks may flourish unhampered because the law enforcement agencies immediate concern is geared towards matters of physical protection and not protection of product marks. Also, under such situations, consumers hardly think of the consequences of products with counterfeit marks. They consume what comes their way since life itself is at stake in a political or social crisis. That is why during emergencies, people first consume any type of drug in the name of 'treating illness'. Fear of armed attack by infringers may also force the law enforcement agencies at times, to retreat thus allowing infringers to have their day[51]. Intimidation may result in many of the personnel to retreat for fear of being killed.

Insurgencies also account for the increase in the infringement in the sense that people at such situation could hardly differentiate between original and counterfeit products in a hurry. Whatever comes their way is the choice they make because the unfriendly environment has set a fear of movement. This is worse when communication infrastructures too get under attack[52]. The telecommunication lines of Global System Communication in Nigeria (GSM) were attacked and destroyed which cut off people from the benefits of knowing what happens at different parts of the country at given point in time. This also means that transportation, particularly by road is not safe for travelling due to sudden attacks. All these situations promote counterfeits and subsequently discourage the proprietor of trademark since benefit rather goes to the counterfeiters.

1.5.6 Porous National Borders

Counterfeit products pass through borders especially seaports and airports which in most cases are believed to be of genuine goods. However, products such as pharmaceuticals, electrical, drinks and body care bear fake trademark instead of genuine ones. The President of the Manufacturers Association of Nigeria once raised an alarm that Nigerian manufacturers were losing billions of naira through trademarks and trade names malpractices. He disclosed that most of the fake products bearing the

---

[51] Akunyili, D.N.: Counterfeit Drugs and Pharmacovigilance. The 10th Pharmacovigilance – The Study of Adverse Drug Reaction Training Course held at Uppsala Monitoring Centre, Sweden (2005), p.32. She reported on the attempted assassination on her life. Gunmen fired at the vehicle she was travelling in and the back windscreen was shattered by bullets which pierced through her head scarf and burnt some upper part of her scalp. She further reported that counterfeiters had planned attacks and indeed armed men invaded her residence too but fortunately she was not indoors

[52] See also Nwabachili, C.O. op cit. 84

trademarks and trade names of the genuine manufactures were being smuggled into Nigeria from foreign countries.

1.5.7 Ineffective Enforcement Mechanisms

This also is one of the factors to ineffectiveness of trademarks protection in Nigeria. Trademarks enforcement in Nigeria remains weak and subject to inconsistencies. The relevant Nigerian institutions such as police and other enforcement agencies suffer from low morale, poor training and limited resources[53]. Therefore they cannot adequately curb the menace of the infringers of trademarks. A key deficiency is inadequate appreciation of the benefits of intellectual property rights among regulatory distribution networks and consumers. The over-stretched and under-trained Nigeria police have little understanding of trademark rights. Companies and individual manufacturers do not often trust trademark 'protection' because of the ineffective enforcement mechanisms of law.

The Nigerian judiciary is bedeviled with manpower and infrastructural constraints such as insufficient number of judicial officers, poor record management facilities, absence of research assistants for presiding officers of court and the non availability or insufficient court halls to mention but a few[54]. A matter which lingers in the court for a 2 year period might have been heard for a less than a total number of 20 days only within the 2 year period in question. The pace of judicial proceeding is generally slow. The protection of trademarks as well as other forms of intellectual property is the exclusive preserve of the Federal High Court. The Federal High Court is crowded with many of federal matters relating to revenue and also the court does not have sufficient experts in the matters of intellectual property. On the other hand, there are no effective alternative dispute resolution mechanisms for trademark infringement either. Even though, there are few centres brought into existence now, these are just not enough to cover the issues arising from intellectual property rights particularly issues of trademark.

1.5.8 Inadequate Inter-Agency Relations

The absence of unity of command and coordination among the various agencies of government such as National Agency for Food and Drug Administration and Control (NAFDAC), Customs, National Drug Law

---

[53] ibid
[54] Sodipo, op cit.

Enforcement Agency (NDLEA), Standard Organization of Nigeria (SON), Nigerian Ports Authority (NPA), Consumer Protection Council (CPC), shipping lines, Police and so forth create a fertile ground for counterfeiters to escape detection, arrest and sanctions. Some of the criminally minded importers take advantage of this state of disorder to propagate their illegal business.

1.5.9 Economic Weakness

Essentially, intellectual property rights seek to ensure that no-one unlawfully annexes the fruits of another person's labour. However, the extent of poverty in Nigeria militates against effective protection of trademark. Many people are unemployed thus their earning is uncertain, therefore cut corners by infringing a reputable registered trademark of a manufacturer in order to earn a living. Consumers often patronize these infringed goods because they are cheaper in the market. Also strong desire for affluence without commensurate hard-work contributes to ineffectiveness of the protection of trademark in Nigeria. People indulge in nefarious activities by misleading others with counterfeit trademark especially products with high value. It is against this background that trademark law frowns at unfair competition. Further, easy access to fake products due advancement of technology is responsible for ineffectiveness in trademark protection. Again low price of imitated products accounts for poor protection of trademark.

1.6 Conclusion

Protection of Trademark encourages development and investment because the product reputation and goodwill is protected. In this paper, we have attempted to capture some of the challenges responsible for effective protection of trademark rights in Nigeria. Accordingly, trademark law provides for benefits and exclusive use of the proprietor.

It is established that the first challenge to effective protection of trademark in Nigeria is that some provisions of legislation are defective such as registration in two different parts of the register which is entirely unclear, makes no difference and outdated. Non-inclusion of 3-dimensional signs, colour or combination of colours sound, smell, or taste in legislation also deprives the owners the benefits of protection. Corruption is found to be one of the key factors behind ineffective protection of trademark. Many of those in authority are found engulfed in this menace of corruption because of greed

and close their eyes to illegality. Corruption promotes infringers rather than proprietors. Other law enforcement agencies also participate in these economic plunders thereby frustrating the efforts of the trademark owners.

The counterfeiters take advantage of the low level of awareness of the masses in the country and launch out their nefarious acts by selling products with different contents having counterfeit trademarks to confuse them which call for toxic effects and at times even prove to be fatal. This is possible because many may not be able detect some of these technicalities of the trademarks on product. Another serious matter is the ineffective enforcement mechanism, resulting from lack of proper training, lack of unity of command for different agencies, the Police, Customs and Excise and various others.

The paper recommends that the legislative deficiencies should be redeemed and streamlined by amending the affected sections of the Act. In addition, registrable marks identified in the Act are to be included. Also, Paris Convention is to be domesticated to enable enforcement of domain names, cybersquatting and typosquatting. Attention must also be paid to the causes of corruption and the endemic effect on the economy generally and specially on trademarks in Nigeria. Responsible agencies should be audited and probed periodically. There is need for accountability on the part of agencies charged with the task of enforcing the trademarks rights. Nigerian ports are gateways through which pirated imports come into the country and pirated exports leave. There should be checks on these agencies by the authority that put them in place.

Finally the paper recommends that intellectual property education, particularly on trademark, be aggressively pursued to raise effective awareness about rights and responsibilities and the Police, Customs with other agencies be sponsored for training to enable them perform better.