

A Peek into Six Passing-off Cases in Nigeria

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1. Continental Pharmaceutical Ltd. v. Sterling Products Nigeria Plc. and SmithKline Beecham Plc. (1995)

Suit No: FHC/L/CS/460/95



In a legal battle that lasted for 16 years, the plaintiff, who were manufacturers of a registered trademark comprising the eclipse logo with blue and white package design with the words “Conphamol,” brought an action against the defendants for allegedly infringing on the salient features in the packaging of Conphamol — substituting only the words “Panadol” and “Panadol Extra” in the same style and font.

The plaintiff provided evidence to show that on November 10, 1981, it had registered Conphamol (RTM 40551) in Nigeria following prior search for conflicting marks at the Trademarks registry. The 1st defendant filed a counterclaim alleging that it was licensed by

the 2nd defendant, SmithKline Beecham, owners of the well-known eclipse device with the words “Panadol” inscribed on it.

On Monday June 27, 2011, Justice James Tsoho of the Federal High Court sitting in Lagos, awarded ₦500 million against the defendants as damages for passing-off (part of a ₦1.2bn award) and for infringing on the plaintiff’s registered trademark Conphamol and device in Class 5.

The judge also awarded ₦700 million as special damages for infringing on the copyright in the artistic work of the trademarks and barred the defendants from importing, manufacturing, selling or supplying any analgesic preparation containing the active ingredient “Paracetamol” bearing the name Panadol or Panadol Extra in a container or any packaging with the logo closely resembling the plaintiff’s registered trademark for Conphamol.

2. Niger Chemists Limited v. Nigeria Chemists and D.K. Brown (1961)

In the case of *Niger Chemists Limited v. Nigeria Chemists*, the plaintiff (well known as ‘Niger Chemists’) had carried on business as chemists and had several branches in Onitsha and other towns in Eastern Nigeria. The second defendant and his partners founded a firm carrying on exactly the same business in Onitsha under the name of ‘Nigeria Chemists’ and their only premises was on the same street as one of the plaintiff’s business. Both companies were registered with the Corporate Affairs Commission (CAC) in Nigeria. The plaintiff sued and the court granted an injunction against the defendant on the grounds that their use of the name ‘Nigeria Chemists’ was intended to deceive the members of the public into believing that there was a relationship between Nigeria Chemists and Niger Chemists.

The case establishes the principle that an action in passing-off may lie in cases of misuse of trade names, trademarks or the design get-up of the goods or businesses. Quoting Lord Cozens-Hardy MR in *Ewing v. Buttercup Co.* (1917) 2 Ch 1, Palmer J, held:

“I know of no authority, and I can see no principle, which withholds us from preventing injury to the plaintiff in his business as a trader by a confusion which will lead people to conclude that the defendants are really connected in some way with the plaintiff or are carrying on a branch of the plaintiff’s business.”

3. Ayman Enterprises Ltd. v. Akuma Industries Ltd. (1999)

Suit No: S.C. 116/1999

On June 26, 1996, the plaintiff instituted an action against the defendants in the Federal High Court in Lagos for passing-off and also sought an injunction restraining the defendants from manufacturing, importing, selling or offering for sale or supply, wigs and hair attachments in any package or Get-Up bearing the name “*Original Queens*” or any other words so closely resembling the plaintiff’s trademark “*New Queen*”.

Prior to this action, the plaintiff had lodged an application at the Trademarks Registry in Abuja, Nigeria, for the registration of its brand name in Class 26 and had received an acceptance of the application (TP24575/95). The application was however pending registration at the time of this suit. The defendants’ trademark “*Original Queens*” was also not registered although an application had been filed at the Registry. The matter proceeded to the Supreme Court.

The core issue raised at the Supreme Court was whether the Federal High Court had jurisdiction to hear cases founded on passing-off of an unregistered trademark.

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“It seems to me that the jurisdiction of the Federal High Court to deal with actions on passing-off depends on the registration of trademarks as provided by Section 3 of the Trademarks Act...where the trademarks unregistered, as in the present case, then the cause of action for passing-off is in common law of tort and can now be brought in a State High Court.”

This decision was highly criticized and many legal practitioners expected a review of the courts decision and as expected, the Supreme Court re-examined the provisions of Section 3 of the Trademarks Act in the later case of *Omnia Nigeria Ltd. v. Dyke Trade Ltd.*

4. Omnia Nigeria Limited v. Dyktrade Limited (2003)

Suit No. S.C. 176/2003

Sometime in 1989, Dyktrade Limited initiated a trading venture with an Italian company to manufacture grinding stones for the washing of terrazzo floors and adopted the trademark “*Super Rocket*” for the grinding stones which it registered in Nigeria (No. 51136 in Class 19) on October 10, 1991.

Dyktrade sold substantial quantities of “*Super Rocket*” grinding stones all over Nigeria and had acquired substantial reputation and goodwill in the trademark. In December 1992, Omnia Nigeria Limited began to import consignments of grinding stones branded “*Super Rocket*” and distributed and sold them.

Dyktrade Limited obtained an Anton Piller Order against Omnia Nigeria Limited and brought an action seeking to restrain the company and Directors/Officers from infringing the trademark “*Super Rocket*” and for passing off or enabling others to pass off grinding stones used for the purpose of terrazzo floors inscribed with the trademark “*Super Rocket*”.

The Supreme Court held that the Federal High Court has jurisdiction to hear and determine cases of passing off, whether or not these cases arise from registered or unregistered trademarks.

5. Trebor Nigeria Ltd. v. Associated Industries Ltd. (1972)

Suit No: K/127/7

An action was held to lie in passing-off where the defendant packaged and marketed its product to resemble those of the plaintiff. The court held 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 court further observed that the defendant attempted to manufacture and market a product as similar as possible to that of the plaintiff. It is important to note that the plaintiff’s action only succeeded on its passing-off claim and not its trademark infringement claim.

6. Patkun Industries Ltd v. Niger Shoes Manufacturing Co. Ltd. (1987)

Suit No. S.C. 189/1987

In this case, on appeal to the Supreme Court, the key issue was the interpretation of the proviso to Section 3 of the Trade Marks Act of 1965, which provides that:

“No person shall be entitled to institute any proceeding to prevent, or to recover damages for the infringement of an unregistered trade mark; but nothing in this Act shall be taken to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect thereof.”

The court had to determine whether or not that proviso preserved the common law right of action in passing-off as a common law remedy or whether the proviso had converted the remedy to a statutory one under the Trade Marks Act.

The Supreme Court held, among other things, that Section 3 of the Trade Marks Act gives a right of action in passing-off and that the right of action is derived from the Trade Marks Act and not from the common law.

“It is not correct to assume that a right of action enacted into a statutory provision is ineffective merely because it has its origin in the common law. This is not so. The common law tort of passing off in respect of other matters still exists ...”

“... but in respect of trade marks. In this country the right of action of passing-off relating to the infringement of registered trade marks is statutory and can be found only in Section 3 of the Trade Marks Act 1965.”

— Per Karibi-Whyte, J.S.C. (P. 152).

According to Karibi-Whyte, J.S.C.: In addition to the right of action conferred on the owner of a registered trademark, the statute has in this section conferred an additional right of action by preserving the right of action of passing-off in respect of such goods.

The true intendment and purpose of Section 3 of the Trade Marks Act, 1965 are that:

- (a) no person shall sue for infringement of an unregistered trade mark;
- (b) any person can sue for passing-off of a registered trade mark.

Interestingly, the Supreme Court’s interpretation of Section 3 of the Act, points to the fact that there are two types of passing-off. The first relating to unregistered marks and the second in relation to registered marks. The inference is that the infringement of a trademark would relate exclusively to registered trademarks while passing-off would cover cases of both registered and unregistered trademarks.

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