

UNDERSTANDING THE RELATIONSHIP BETWEEN TRADEMARK REGISTRATION AND BUSINESS/COMPANY NAME REGISTRATION IN NIGERIA





INTRODUCTION

There is a general misconception among business owners in Nigeria that registering a company with the Corporate Affairs Commission (hereinafter referred to as "the CAC" or "the Commission") effectively protects the name of the business as a trademark and prohibits other business owners from using the name to represent their brand, products or services. This is not true. Although the registration of a business at CAC will likely prevent subsequent business owners from using the same name at CAC, such registration does not protect the name as a trademark neither does it grant trademarks rights unless the business name is trademarked.

While trademarks and business or company name registration are related, they both serve different legal purposes. Most importantly, trademarks are governed by the Trademarks Act, Cap T13 Laws of the Federation of Nigeria (LFN) 2004 (hereinafter referred to as the Trademarks Act) and administered by the Trademarks Registry, under the Commercial Law Department of the Ministry of Industry, Trade and Investment.

On the other hand, business names are registered by the CAC; a regulatory agency established by the Companies and Allied Matters Act, 2020 as amended, (hereinafter referred to as CAMA 2020) whose primary function is to regulate the incorporation, management and winding up of the various business ventures in Nigeria. This article will examine the relationship between a trademark and a business/company name registered at CAC and the position of the law in the event of a conflict between both names.

In this article, the term '**business name**' will be used loosely to represent the name given to any of the various business entities in Nigeria. such as the sole proprietorship, partnership, companies and incorporated trustees.

TRADEMARK VS BUSINESS/COMPANY NAME

A trademark is a form of intellectual property that is usually manifested as a distinctive sign, word, phrase, symbol or logo and used to represent the goods or services of a particular business owner. The essential purpose of a trademark is to identify the goods/services of a given proprietor and distinguish them from the goods/services of their competitors in the marketplace. Trademarks protect the interest of the product owners and help avoid confusion and duplicity in the marketplace. It also shields consumers from the likelihood of confusion regarding the origin of the goods or services in the marketplace. The rationale behind the law of trademark registration is to prevent deception of the public by offering goods as possessing some connection with a particular trader, when in fact it does not. It is therefore a fundamental principle of law that an applicant, who wants to register his trademark must show that the name is clearly distinguishable from other trademarks in the market and that he is the true proprietor of the mark.



On the other hand, a business name is a name that is used to identify a business and not the product or the services offered by the business. It is the official name under which an individual or a legal entity conducts and promotes its business. Registering a business with the CAC is mandatory as it provides the business with a legal identity under which such business can operate in the commercial space. Registration with CAC protects the legal identity and prevents conflicts over other business names. It can also help in establishing and safeguarding the business's reputation thereby increasing the confidence of potential investors and the public to deal with such business and brand. A business or company name registration is limited to the jurisdiction where the name is registered. For example, a company registered in Nigeria by the CAC will only protect the company's name in Nigeria. On the other hand, a trademark can be registered at a national or international level, depending on the scope of protection required by the proprietor. Internationally registered trademarks effectively provide protection in various jurisdictions around the world.

In practice, a lot of businesses do register their business or company name as a trademark to ensure a wider brand protection. However, this is not always the case. There are instances where the same name is registered as trademark and also registered as a business name but belonging to different proprietors. While this is sometimes a coincidence, often times, it is the deliberate action of an infringer to unjustly benefit from the goodwill associated with a well-known trademark. The position of the law in this regard is that where a business is registered with a name that conflicts with an existing trademark, such business name whether registered knowingly or not is considered an infringement on the trademark and it stands the risk of being changed or struck out of the Commission's register. This is because a registered trademark enjoys unhindered legal protection and grants exclusive right of the use of such trademark to the owner.

Section 5 (1) of the Trademarks Act which 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 trademark (other than a certification 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.

What this means is that it is only the owner of the registered trademark that can legally make use of the name. Thus, registration of a business with a name that is identical or confusingly similar to an existing trademark, without the consent of the proprietor of the trademark will amount to trademark infringement. The use of a conflicting similar trademark and business name by two different entities will likely lead to confusion in the marketplace as consumers may not be able to identify and distinguish between the goods or services offered by both parties. CAMA also made the priority of trademarks to business names statutory and indisputable when it provided in **Section 30 (4)** of the Companies and Allied Matters Act ("CAMA") that:

Nothing in this Act precludes the Commission from requiring a company to change its name if it discovers that such a name conflicts with an existing trademark or business name registered in Nigeria prior to the registration of the company and the consent of the owner of the trademark or business name was not obtained.

In addition to the above, **section 852 (1) (d)** of CAMA provides as follows:

1. No company, limited liability partnership, business name or incorporated trustees shall be registered under this Act by a name or trademark which-
(d) in the opinion of the Commission, would violate or conflict with any existing trademark or business name registered in Nigeria or body corporate formed under this Act unless the consent of the owner of the trademark, business name or trustees of the body corporate has been obtained.

The decision of the Federal High Court sitting in Abuja on 13th August 2023, in the case of **Sanofi S.A. v. Sanofi Integrated Services & 3 Ors**; further cemented the position of the law with regards to the priority of trademarks to business name in the event of conflict. Sanofi S.A. is a French multinational pharmaceutical and healthcare company with headquarters in Paris. The Company has been in existence since 1973. It registered the trademark; "SANOFI" in Nigeria in February 1987, and went ahead to establish itself as a known brand in Nigeria. Subsequently, Sanofi S.A. discovered that three entities namely, Sanofi Integrated Services Limited, Sanofi Nigeria Enterprises Limited and Sanofi Nigerian Enterprise were registered at the CAC by 3 different business owners. Sanofi S.A. lodged a complaint at the CAC, demanding that the three Nigerian companies alter the names of their businesses, as the addition of the word; "SANOFI" to their business name constitutes an infringement of their existing trademark.

The CAC considered the complaint of Sanofi S.A. and directed the three business owners to alter their names within 6 weeks, but they would not budge, and Sanofi S.A. filed a suit against them at the Federal High Court. The presiding Judge, Justice J. Omotosho upheld the directive of CAC and held that; "the owner of a trademarked name enjoys exclusive use and ownership of such name to the exclusion of any other person. In fact, where a trademarked name is used without the consent of the original owner it constitutes the tort of passing off which entitles the owner to damages and some other reparative measures." The court granted injunction and damages against the three companies for trademark infringement and also directed CAC to cancel the registration of the infringing names if they failed to change their names within two weeks from the date of the judgement.



Another case, which is almost on all fours with the Sanofi Case, is the case of **Allianz Se v. Allianz Management Limited with suit no. L/CS/132/19**, still pending before the Federal High Court, Lagos Judicial Division. Allianz SE, a German multinational company in existence since 1890, sued Allianz Management Limited for infringement on its trademark "ALLIANZ" which was registered in Nigeria in 2001. The Plaintiff made formal objections to the CAC, and the CAC, after due inquiry, wrote to the Defendant directing the defendant to change its name. The directive was not heeded, whereupon the Plaintiff sued. This matter is still ongoing.

The protection over registered trademarks is further extended by CAMA in **Section 857 (1)** to cover unregistered trademarks when it provides that:

1. A person ("the Applicant") may object to the registered name of a company, limited liability partnership, limited partnership, business name or incorporated trustees on the ground that it is—

(a) the same as a name associated with the Applicant in which he has goodwill; or

(b) sufficiently similar to such a name that its use in Nigeria would be likely to mislead by suggesting a connection between the company, limited liability partnership, limited partnership, business name or incorporated trustee and the Applicant.

Unregistered trademarks, also known as common law trademarks, are trademarks that are not registered under the Act, but are legally recognised on the basis of their well-known reputation and goodwill. Unregistered trademarks are usually birthed as a result of long, continuous and extensive use of a trademark in relation to specific goods or services. The more an unregistered trademark is used and recognised by the public, the stronger the common law rights associated with such trademark becomes. While the law recognises the rights of the holder of an unregistered trademark, it is still advisable for business owners to register all trademarks because of the inherent challenges associated with establishing ownership and enforcement of right.

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While the law appears to be settled on the issue of registering a business name that conflicts with an already existing trademark, the question is what happens if an existing business name is subsequently registered as a trademark by a different company? Both the Trademarks Act and CAMA are silent in this regard. Some scholars have expressed the view that even if the registration of a business name precedes that of a trademark, the business name is still bound to change its name or be struck out. I do not agree with this position. I am of the humble view that if a business name is registered before a trademark, the business name will stand but the owner of the business cannot protest or oppose the registration of the trademark.

However, where the business owner has acquired tremendous reputation and goodwill as a result of long and extensive use of the name in relation to its trade and business, such business name can be regarded as an unregistered trademark and the business owner as the proprietor of the unregistered trademark can oppose the registration of the subsequent trademark under the Trademarks Act or institute a passing off action in court (see Sections 3 and 20 of the Trademarks Act. This means that, a business name registered before a trademark is secured, and in some cases, if such business name has evolved into the status of an unregistered trademark, it can be used to prevent the registration of a subsequent identical or confusingly similar trademark.

It has become clear that the conflict between trademarks and business names will continue until proactive measures are taken by the relevant agencies to curb the conflict. Ordinarily, both the Trademarks Registry and the CAC have their separate availability search and name reservation procedures, to checkmate multiple name registrations. However, both agencies are yet to harmonise their registers or establish a system that ensures that a prospective business name does not conflict with a registered trademark and vice versa. This puts the patrons of both agencies, especially CAC patrons in dire straits of being at the shorter end of the stick in the event of a conflict, because a trademark will not be cancelled merely because it conflicts with a business name, even if the business name was registered first, but a business name can be deregistered if it conflicts with an existing trademark.

Conclusion

Business or company name registration is a mandatory legal requirement for operating a business in Nigeria, while trademark registration is a legal and a marketing tool used for brand protection and development. Both are important for establishing and safeguarding a business's presence in the commercial space. The Trademarks Registry and the CAC have roles to play to permanently sanitize and end this ongoing conflict between trademarks and business or company name registration. While we await future actions of both agencies in this regard, it is advisable for parties that intend to register their business name at CAC, to conduct their due diligence and ensure that the name does not conflict with an existing trademark. Secondly, business owners must endeavour to trademark their business names as well. Finally, the CAC should ensure that in the event of a compulsory change of a name imposed on a business owner on the grounds that its business name conflicts with an existing trademark, such change should come at no cost to the business owner.

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