



Jackson, Etti & Edu

THE THREE TRADEMARK GHOSTS: WHY BRANDS SPEND AND YET STAND TO LOSE





Just in 2020, the world's largest retailer, [Amazon reportedly spent roughly \\$22 billion on marketing](#). In case you are wondering why such a big brand is spending so much money on promoting its brands and products, the result in its upward movement from the [4th most valuable brand in the world](#) to the [2nd spot](#) (estimated value at \$254.2 billion from \$135.4 billion in 2020) justifies the costs.

This is the free and open trade secret – big brands know the investment in brand promotion and protection is really worth the cost. Consequently, there is a huge IP portfolio with countless moving parts that need to be managed.

Like many other international companies, it is not unlikely to find a central Brands Unit or IP Management System or law firm that handles the protection of the company's large IP Portfolio.

But then, what can possibly go wrong if a product or design or invention is introduced into a market in Africa without an adequate brand protection strategy and an actionable plan?

The following are what I term "Trademark Ghosts" because of their clandestine operations to sabotage the goodwill and reputation of a business:

1. Squatters:

Quite the most annoying bunch, because IP squatters often have a legal (registered) right to use the similar trademark. Squatters often have no interest in using the product but merely to hold to sell at high prices to the brand owner.



Although, Section 11 of the Trademark Act in Nigeria empowers the Registrar to reject trademark applications that are “likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice”, or for the court to invalidate the registration of the same based on bad faith filing, it is nearly not enough to prevent squatters as the Nigerian Trademarks Act does not recognize well-known marks. Meanwhile - Ghana, South Africa - on the other hand, are countries that protect well-known marks.

Ways to Address Squatters:

- ▶ Early trademark registrations
- ▶ Enter an opposition during the statutory 2-month opposition window
- ▶ Defensive trademark registrations
- ▶ Filing a cancellation action based on bad faith or non-use
- ▶ Appeal to the Registrar for honest concurrent use via written arguments.

2. Counterfeits:

Without a plan for the counterfeiters, your trademarks may face greater threat than anticipated. Goods prone to a high level of counterfeiting in Nigeria are medicines, auto parts sales, and FMCGs,

A bill to prohibit importation of counterfeit goods “[Counterfeit Goods \(Establishment\) Bill 2021](#)” is currently at the Committee Stage in the Nigerian Senate. The bill seeks to strengthen the powers of the Law Enforcement Agencies in the fight against counterfeits.

Ways to Address Counterfeits:

- ▶ Raid & Seizure Orders: You can obtain Anton Piller orders to raid (in the company of Law Enforcement agents) a premises suspected to house counterfeit goods.
- ▶ Trademark registrations to prove originality
- ▶ Awareness campaigns among members of the public
- ▶ Customs Recordal: In Kenya, the Anti-Counterfeit (Recordation) Regulations 2021, requires trademark registrants to record their IP rights with the Customs to stop counterfeits from entering the country.

3. Brand Dilution:

This is the registration and/or use of trademarks (whether registered or not) for goods/services which are unconnected to the proprietor of that trademark. In *The Procter and Gamble Company v. Global Soap & Detergent Industries Ltd & Anor*, the Appellant successfully argued that the trademark “Ariel” was not used or registered by the original proprietor for detergents. Hence, it could register and use the same without infringing on the proprietor’s marks.

Ways to Address Brand Dilution:

- ▶ Defensive trademark registrations
- ▶ Enter an opposition during the statutory 2-month opposition window
- ▶ Filing a cancellation action based on bad faith

Let us also consider protective strategies in other countries in Africa – specifically Ghana, South Africa, and the Democratic Republic of Congo (DR Congo).

Country	Squatters	Counterfeits	Trademark Diluters
Angola	<ul style="list-style-type: none"> ▶ Early trademark registrations ▶ Enter an opposition during the statutory 2-month opposition window ▶ Filing a cancellation action based on bad faith or non-use ▶ Filing a cancellation request based on non-use for a period of 2 consecutive years counting from the granting date. ▶ Trademark owners may also explore civil actions if it is a famous mark (Article 6bis of the Paris Convention and the article 16 no. 3 of the TRIPS agreement are applicable under the article no. 77 of the Angolan IP Law) 	<ul style="list-style-type: none"> ▶ Trademark registrations to prove ownership ▶ Sending cease and desist letters ▶ Filing official actions alongside the Economic Police in order to open an investigation to determine and seize the counterfeit goods ▶ Customs Recordal 	<ul style="list-style-type: none"> ▶ Defensive trademark registrations ▶ Enter an opposition during the statutory 2-month opposition window ▶ Filing a cancellation action based on bad faith and non-use for a period of 2 consecutive years counting from the granting date
Ghana	<ul style="list-style-type: none"> ▶ Early trademark registrations ▶ Civil action for well-known marks (Section 5(b)(f) of the Ghana Trademarks Act as amended) ▶ Enter an opposition during the statutory 2-month opposition window ▶ Filing an application before the court for invalidation if the mark is registered. 	<ul style="list-style-type: none"> ▶ Raid & Seizure Orders: You can obtain Anton Piller orders to raid a premises suspected to house counterfeit goods (in the company of Law Enforcement agents). ▶ Trademark registrations to prove originality ▶ Awareness campaigns among members of the public ▶ Customs Recordal 	<ul style="list-style-type: none"> ▶ Early trademark registrations ▶ Civil action for well-known marks (Section 5(b)(f) of the Ghana Trademarks Act as amended) ▶ Enter an opposition during the statutory 2-month opposition window ▶ Filing an application before the court for invalidation if the mark is registered.

Country	Squatters	Counterfeits	Trademark Diluters
Kenya	<ul style="list-style-type: none"> ▶ Early trademark registration; ▶ Defensive trademark registration (though available, one must be ready to prove that the trade mark has become well known in Kenya); ▶ Enter an opposition during the statutory 2-month opposition window; ▶ Civil action for well-known marks (the standard of proof is quite high) ▶ Appeal to the registrar for honest concurrent use via written arguments. This will be by way of submissions at the time of refusal on relative grounds against the squatting trademark; and ▶ Filing a cancellation action based on bad faith or non-use 	<ul style="list-style-type: none"> ▶ Trademark registrations to prove originality; ▶ Customs recordal by the applicant with the Anti-Counterfeit Authority (ACA); ▶ Raid & Seizures Orders - with a trademark registration as proof of ownership. The ACA has the powers to raid and seize goods without filing for an Anton Piller before court; ▶ Awareness campaigns among members of the public through marketing and advertisement of the products; and ▶ Training by the applicant to the ACA on the branding for their products 	<ul style="list-style-type: none"> ▶ Defensive trademark registration; ▶ Enter an opposition during the statutory 2-month opposition window; and ▶ File a cancellation action based on bad faith
South Africa	<ul style="list-style-type: none"> ▶ Early trademark registrations ▶ Civil action for well-known marks (Section 35 of the Trademarks Act) ▶ Enter an opposition during the statutory 2-month opposition window ▶ Defensive trademark registrations ▶ Filing a cancellation action based on bad faith or non-use ▶ Appeal to the Registrar for honest concurrent use via written arguments 	<ul style="list-style-type: none"> ▶ Raid & Seizure Orders: You can obtain Anton Piller orders to raid (in the company of Law Enforcement agents) a premises suspected to house counterfeit goods. ▶ Trademark registrations to prove originality ▶ Awareness campaigns among members of the public ▶ Customs Recordal ▶ Civil action by IP owners 	<ul style="list-style-type: none"> ▶ Well-known trademark protection system ▶ Defensive trademark registrations for well-known marks ▶ Enter an opposition during the statutory 2-month opposition window ▶ Filing a cancellation action based on bad faith ▶ Application to the High Court to provide relief by way of interdict or remove the offending mark

Country	Squatters	Counterfeits	Trademark Diluters
DR Congo	<ul style="list-style-type: none"> ▶ Early trademark registrations ▶ Civil action for well-known marks (Art. 6 bis of the Paris Convention of July 14, 1967 and the First Assignment of Regulations 13 – 17, July 1998) ▶ Enter an opposition during the statutory 3-month opposition window ▶ Defensive trademark registrations ▶ Filing a cancellation action based on bad faith or non-use ▶ Appeal to the Registrar for honest concurrent use via written arguments 	<ul style="list-style-type: none"> ▶ There are two administrative procedures that can be deployed: ▶ The opposition procedure (administrative procedure): ▶ Normally, it is possible to introduce an opposition procedure within 3 months following the date of publication of the trademark. ▶ However, as publication is not automatic in the DRC, therefore, a period of 3 months is counted from the date of filing of the trademark. ▶ Trademark cancellation procedure once the 3-month period is over. 	<ul style="list-style-type: none"> ▶ Defensive trademark registrations ▶ Civil action for well-known marks ▶ Enter an opposition during the statutory 3-month opposition window ▶ Filing a cancellation action based on bad faith



From the foregoing, it is apparent that the consequences of failing to plan against these “3 Trademark Ghosts” can be grave (no pun intended). It could lead to protracted IP disputes, loss of reputation, loss of revenue, and even worse still, infringement on a registered trademark. Indeed, if trademark protection is expensive, consider trademark dilution and infringement.

Therefore, to attract and retain customers, company strategists and marketers constantly need to reinvent their tools and strategies.

For instance, you need to know why your customers love your business brand (data analytics). But the crux does not lie in merely exciting your customers, but you must also keep your competitors away and brand impersonators at bay.

However, there is another question that pops up in the minds of brand owners looking to enter the African market, seeing that the issuance of trademark certificates can take several months, or years and the organization is rightly wary of introducing new products without trademark protection.

Hence - what is the best way possible for a safe launch in many African markets, while waiting for the registration certificate?

“The above question will be addressed with a practical roadmap in the next sequel.”

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Jackson, Etti & Edu is a full-service law firm with a sector focus, rendering legal services to Nigerian, Pan-African and International clients in diverse jurisdictions.

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