

Protecting foreign trademarks: legal strategies against wrongful trademark registrations in Nigeria

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Legal updates: case law analysis and intelligence

- **Local businesses may try to exploit the territoriality principle by registering trademarks that are similar or identical to popular or well-known foreign marks**
- **Two recent decisions clarify that trademark registration is not a complete defence to a claim of passing off, even by an unregistered trademark owner**
- **Owners of unregistered trademarks with goods or services extending to Nigeria still have legal remedies (eg, under the tort of passing off)**

Trademark protection in Nigeria follows the territoriality principle. This means that a trademark is often protected in Nigeria if the trademark owner has obtained a trademark registration locally. Many foreign owners of popular or well-known trademarks are yet to seek registration in Nigeria, and their local business rivals sometimes exploit the territoriality requirement under Section 3 of the Nigerian Trademarks Act by surreptitiously registering trademarks that are similar or identical to the trademarks of the foreign

companies. Such registrations by local entities pose a complete defence to claims for trademark infringement (Section 5(4) of the Trademarks Act). However, some recent judicial decisions in Nigeria indicate the disposition of local courts to protect the rights of foreign trademark owners; we highlight two such decisions below.

Dike Geo Motors Ltd v Allied Signals Inc

In *Dike Geo Motors Ltd v Allied Signals Inc* ((2024) 10 NWLR (Pt 1946) 201), the Supreme Court of Nigeria held that appellant Dike Geo was passing off its clutch fluid and brake products branded as ALLIED and device as the clutch fluid and brake products of respondent Allied Signals. The court opined that the appellant could not rely on its trademark registration for ALLIED and device as an answer to Allied Signal's claim for passing off, even if Allied Signals owned no trademark registration in Nigeria. Thus, the appellant was restrained from using its registered trademark in a manner as to pass off its goods as those of Allied Signals.

CIMA v Eddie Onwuchekwa

A similar decision was rendered by the Nigerian Court of Appeal in *CIMA v Eddie Onwuchekwa & Anor* ((2024) (Unreported)), which related to a bad-faith trademark application by a Nigerian individual. In this case, the Chartered Institute of Management Accountants (CIMA) owned no Nigerian trademark registration for CIMA, but the institute opposed first respondent Eddie Onwuchekwa's trademark application for CIMA in Class 41 covering, among other things, education and training, on the grounds that CIMA, and not the Nigerian entity, was the true owner of the CIMA trademark. The institute also asserted that the disputed CIMA trademark was identical with its prior used CIMA trademark and thus likely to cause confusion in relation to training and education services in Nigeria. Although the registrar of trademarks disagreed with the institute and proceeded to register the offending CIMA trademark in the name of the Nigerian entity, the Court of Appeal set aside the registrar's decision on appeal.

Comment

The decisions align with Section 3 of the Nigerian Trademarks Act, which prevents actions to restrain the infringement of unregistered trademarks in Nigeria, regardless of their well-known status. However, these decisions, particularly in *Dike Geo*, clarify that trademark registration is not a complete defence to a claim of passing off, even by an unregistered trademark owner. They emphasise that true owners of unregistered trademarks are still protected under Nigerian common law (eg, under the tort of passing off). Thus, true owners, including foreign trademark owners, can prevent counterfeiters from misrepresenting themselves and their goods as related to – or originating from – the foreign entity.

In conclusion, obtaining trademark registrations in Nigeria for relevant or all classes is recommended to strengthen your position against local counterfeiters. However, owners of unregistered trademarks with goods or services extending to Nigeria still have legal remedies. The cases mentioned demonstrate that local courts will not permit counterfeiters to use their statutory trademark rights as tools of deception against the legitimate owners of the trademarks in question. In applicable situations, owners of unregistered trademarks can take legal action to prevent unauthorised use or registration of their marks through court proceedings for passing off and trademark cancellation, as well as trademark opposition at the Nigerian Trademark Office.

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