

CITMA REVIEW

ISSUE 461 OCTOBER/NOVEMBER 2020



THE CASE FOR
TOURS OF DUTY
P8

WHEN COURT
COMES CALLING
P15

ENFORCING
COSTS AWARDS
P24



How to recruit for social mobility



TRADING UP

The biggest brands often see African markets as a major prize. But well-known names should proceed with care, warns Chinwe Ogban

The survival of a business and the success of its products in the market are intrinsically connected with the popularity of its brand. It's the brand identity by which consumers distinguish that business from other similar brands or products, usually through unique

symbols, logos, names, insignia, sounds and so on.

This is particularly true of well-known trade marks. Just consider Metro-Goldwyn-Mayer's trademarked sound of a roaring lion, Apple's unmistakable logo of an apple with a bite missing from its right-hand side, or the ubiquitous Coca-Cola signature.

A mark is generally considered to be well-known when it is recognised by consumers in relation

to specific goods or services and is recognisable by consumers within the territory of the relevant trade mark regulation (a country or regional body). In addition, a mark does not always need to be registered in a given country or region in order to receive protection. (See the panel on page 22 for more information.)

Last year, Forbes reported that the 30 most valuable brands in the world are now worth an estimated total of \$1.48 trillion. In this highly esteemed clique are brands such as Google, Facebook and Nike.

However, the popularity of these brands comes at a price. Specifically, that price is trade mark squatting, dilution, counterfeiting, infringement and long-term disputes over the proprietorship of these

marks. A classic case in point is Victoria's Secret v Shanghai Maisi Investment Management Company, a dispute over alleged trade mark infringement.¹ The defendant had used the plaintiff's mark to indicate products in its stores, and the court held that this indicated an intention to mislead consumers as to the origin of the goods.

In 2018, the continent of Africa recorded merchandise-based trade worth more than \$998bn², and the region has been touted by trade experts as one of the fastest growing in the world. As a result, many trade marks that have had success in other regions are now seeking to expand their business interests into African countries by leveraging their fame. The same can also be said for intra-continental business expansion.

However, well-known brands are faced with some Herculean challenges when seeking to register their popular marks in many African markets. First among these is the issue of trade mark squatting.

For successful international brands hoping to break into African markets, it is imperative to understand which African regimes provide protection for well-known marks and the extent of that protection.

NIGERIA



Nigeria operates a first-to-file system, which makes it difficult to prevent well-known marks from being registered by other entities.

“ For international brands, it is imperative to understand which African regimes provide protection for well-known marks and the extent of that protection



In addition, Nigeria is yet to domesticate the relevant provisions of the Paris Convention for the Protection of Industrial Property, meaning it may be more difficult for foreign brands to avail themselves of protection for their well-known marks.

But, despite these challenges, a brand owner can apply to the Registry or Court under s11(a) of Nigeria's Trade Marks Act³, which forbids the registration as a trade mark or part of a trade mark “any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice or be contrary to law or morality”.

Although this does not constitute a direct replication of the spirit of the Paris Convention, this provision empowers the Trademarks Registry to refuse or cancel the registration of a well-known foreign or domestic mark on the basis that is likely to deceive or cause market confusion. However, the criteria for determining a well-known mark are largely undecided and will be on a case-by-case basis.

Further, the Nigerian Trade Marks Act provides for defensive trade mark registrations. A registered trade mark owner can apply under s32 for defensive registration of its marks in other classes, even where it has no intention of use. The rationale is that this will help to prevent infringers from profiting from the reputation and goodwill of the well-known mark by selling goods/services in other classes.

Trade in Africa was worth

\$998_{bn}

in 2018

GHANA

In Ghana, well-known marks are protected by the amended Trademarks Act.⁴ Section 5(b)(f) of the Act provides that a mark shall not be registered if it is identical, confusingly similar or constitutes a translation of a trade mark or trade name which is well known in the country for the identical or similar goods or services of another enterprise.

The provision goes further, to protect well-known marks against the registration of such marks for non-identical goods/services where the use of the mark would likely indicate a connection between those goods or services and the owner of the well-known trade mark, potentially resulting in damage to the original owner's interests.

Under s12 of the amended Act⁵, well-known marks are defined as the trade mark of a person who is:

- (a) a national of a country that is a party to the Paris Convention; or
- (b) domiciled in or has a real and effective commercial establishment in a country that is a party to the Paris Convention, where the trade mark is recognised or known in the relevant public sector as belonging to that person.

SOUTH AFRICA

South Africa's Trade Marks Act has adequate provisions to protect well-known marks.

Under s10(6), owners of well-known marks can oppose trade mark applications for marks similar to theirs, and ▶





they can institute infringement actions under s35. These proceedings can be instituted whether or not the owner is actively carrying on business in South Africa.

Also, South Africa operates a first-to-use system, which means a mark acquires common law rights once it has garnered reputation and goodwill among the relevant public. This implies that an unregistered well-known mark in South Africa can enjoy protection in the country. The requirement for a mark to be regarded as well-known is such that a substantial portion of the public must associate the goods or services as originating from a given source.

Section 34(1)(c) of the Trade Marks Act further provides against dilution by empowering owners of well-known registered marks to prevent the use or registration of similar or identical marks in the course of trade which are likely to deceive or mislead consumers.

In determining whether a trade mark is well known, s35(1)(a) of the amended Act provides that due regard shall be given to the knowledge of the trade mark in the relevant sector of the public, including knowledge which has been obtained as a result of the promotion of the trade mark.⁶ The conditions of nationality or domicile in a Paris Convention country also apply to persons claiming entitlement to protection of well-known marks under the Trade Marks Act.⁷

EGYPT

Article 68 of Egypt's trade mark law⁸ provides that the owner of a well-known trade

mark, worldwide and in Egypt, shall have the right to enjoy protection, even if the mark is not registered in Egypt.

Article 68's second paragraph domesticates Article 6^{bis} of the Paris Convention. It empowers the Trade Registry Department to reject applications to register marks that are identical to existing well-known marks.

The third paragraph of the Article extends the protection for well-known marks where the goods/services being registered are not identical, provided that:

- (a) the well-known mark is registered in a country that is a member of the World Trade Organization and in Egypt; and
- (b) the use of the mark in relation to those non-identical products is intended to lead people to believe that a connection exists between the owner of the well-known mark and those products, and that such a use may be prejudicial to the interests of the owner of the well-known mark.

KENYA

Kenyan trade mark law recognises protection for well-known marks and defensive registration for goods and services.⁹

Section 15(a) of the Trademarks Act domesticates Article 6^{bis} of the Paris Convention and affords protection only to nationals of and entities domiciled in Paris Convention countries.

Section 15(a)(2) provides that a trade mark owner is entitled to restrain by injunction the use of a similar or identical mark that is likely to mislead or confuse the consumer as to the origin of the mark. However, in Kenya, the bar for proving

THE PRICE OF FAME: MORE ABOUT BEING WELL KNOWN

While not directly defining a well-known mark, Article 6^{bis} of the Paris Convention for the Protection of Industrial Property (as amended) provides for the protection of marks that are considered well-known by the competent authority of a member country. This means that each member jurisdiction will be responsible for providing the parameters for a mark to qualify as a well-known mark. Under the Convention, countries are mandated to refuse, cancel the registration for or prohibit the use of a well-known mark either unilaterally or based on an application by an interested party.

Article 16(3) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) expands the scope of protection under Article 6^{bis} to cover prohibition and cancellation of use of a well-known mark with respect to goods/services that are not similar to the goods/services with which the well-known mark is associated, provided that such use is likely to mislead consumers that the dissimilar goods originated from the owner of the well-known mark.

that a mark is well-known is quite high. In the case of Sony Corporation v Sony Holdings Ltd¹⁰, where the court denied the famous plaintiff protection, it ruled that

certain factors had been suggested by the WIPO to determine whether or not a trade mark is well known. These include:

- the degree of knowledge or recognition of the trade mark in the relevant sector;
- the duration, extent and geographical area of the use and promotion of the trade mark;



Sony lost out under Kenya's IP regime



Brands in the pharmaceuticals industry are at particular risk of infringement and counterfeiting



- the duration and geographical areas of any trade mark applications or registrations;
- the record of successful enforcement of rights in the trade mark; and
- the value associated with the trade mark.

RELEVANT BODIES

ORGANISATION AFRICAINE DE LA PROPRIÉTÉ INTELLECTUELLE (OAPI)

OAPI covers 17 mainly French-speaking countries in West Africa. It can be considered a first-to-file jurisdiction, and common law rights are applicable within its regional influence. This implies that well-known marks in use within the Member States can oppose the registration of identical or similar marks. OAPI also recognises protection for well-known brands, as provided under the Paris Convention.

THE AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION (ARIPO)

ARIPO covers 19 mainly English-speaking countries in East Africa.

The Banjul Protocol, which is the relevant treaty of ARIPO when it comes to trade marks, makes no mention of well-known marks. This effectively means that owners of well-known brands and trade marks must look beyond the regional body to identify those individual Member States that protect well-known marks via their national IP legislations.

NO UNIFORMITY

It is clear from the examples provided that there is no uniform protection for well-known marks in Africa. The situation is even more precarious for brand owners in the pharmaceutical industry, where counterfeits are rising at an alarming rate. The same can also be said for the technology and fast-moving consumer goods (FMCG) sectors.

Therefore, owners of famous brands – and growing, aspirational brands that hope to one day dominate their market – need to proactively protect their brands and business interests in Africa by understanding the range of legal regimes and practices. It's this author's hope that this summary will provide a starting point. ●

- 1 SPC Gazette, Issue 8, 2017 (No. 250)
- 2 Afreximbank's Africa Trade Report 2019, accessed via afreximbank.com/africas-output-grew-by-3-4-in-2018-afreximbanks-africa-trade-report-2019-shows/
- 3 Trade Marks Act Cap. T13, Laws of the Federation of Nigeria 2004
- 4 Trademarks (Amendment) Act 2014, Act 876
- 5 Section 12 amends s52 of the principal Trademarks Act (Interpretation Section).
- 6 Intellectual Property Laws Amendment Act, Act No. 38, 1997
- 7 Section 35(1), Trade Marks Act 1993
- 8 Intellectual Property Rights Law, No. 82, 2002
- 9 Section 30, Trademarks Act
- 10 [2015] Civil Appeal 376, eKLR (2018)



Chinwe Ogban

is a Senior Associate at Jackson, Etti & Edu
chinweogban@jacksonettiandedu.com