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# THE TRADE MARK OPPOSITION GOLDMINE IN NIGERIA

HOW TO DIG AND WHY TO DIG

## The Trade Mark Opposition Goldmine in Nigeria – How to Dig and Why to Dig<sup>1</sup>

**W**hen Shakespeare penned the lines “What's in a name? That which we call a rose by any other name would smell as sweet”, he was making the point that, while names may serve to distinguish things and people from others, such names do not in themselves improve the things distinguished.

Although one would not be quick to criticize such a great patron of the literary arts, it does need to be mentioned that, with regards to brands and trademarks, the name ascribed can enhance consumer experience. This has been extensively researched and proven multiple times.<sup>2</sup>

It is in recognition of the great importance of a product or service name that the law has put in place, measures for the protection of trade marks – particularly measures to prevent the use or registration of a trademark which is confusingly similar to a trademark owned by another.

Even where the law has made such protective provisions, it is still behoved upon the brand owner to seek out infringers and to apply the mechanism of the law to inhibit the violation of their trademark rights. However, how can a brand owner prevent or stop this, unless the perpetrators have given an indication of their intention or taken some suspicious steps? Where do you start the search for a needle in the haystack when infringers could be gaining grounds and encroaching on your rights beyond your vision field?

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A great place to begin would be to take advantage of the trade mark opposition process. Although one may ask, what is the trademark opposition process and how can it be utilized in the protection of your brand? This article aims to provide some answers to these questions whilst offering insights into the mechanism of both the opposition and the registration processes.

### Situating Opposition Within the Trademark Registration Process

- Before discussing the Trade mark Opposition process, it is beneficial to first situate it within the process of trademark registration. In Nigeria, the registration of a trademark goes through the phases which are briefly stated below:

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<sup>1</sup> By Oloruntobi Opawoye, Senior Associate and Head, Trade Mark Opposition Team

<sup>2</sup> For instance, see the article by Åsa Nyström the VP of Customer Advocacy at Buffer on “The Research Behind How Brand Names Impact Customers and What Name We’ve Changed at Buffer” accessible at <https://buffer.com/resources/names-impact-customers/>

- The first stage is the **filing of the trademark application** through an accredited trademarks agent in respect of goods in a particular class, as prescribed under the Nigerian Trade Marks Act. An Acknowledgement Form is then issued as proof that the application has been received by the Trade Marks Registry.<sup>3</sup>

- The next stage is the **examination of the trademark application** by officials

*Stages of the Trademark Registration Process in Nigeria*

- *Filing of the trademark*
- *Examination*
- *Publication (and possibly Opposition)*
- *Registration*

who would conduct internal checks as to the *prima facie*<sup>4</sup> registrability of the mark. Where a trademark is considered registrable, an Acceptance Notice is issued by the Registry;<sup>5</sup> if it is not registrable, a Refusal Notice is then given. A refusal can be overturned by making a representation to the Registrar, detailing facts and providing evidence as to why the refusal is unjustified.<sup>6</sup>

- The third stage is the **publication of the application** in the Trademarks Journal, inviting third parties to object to the registration of a trademark, by way of Opposition.<sup>7</sup> This is the stage most relevant to the current discussion, and we shall subsequently expound on it.
- Following the publication, an application proceeds to **registration**, if same is unopposed, or where an opposition has been decided in favour of the applicant.<sup>8</sup>

## How to Dig -The Trade Mark Opposition Process

Most jurisdictions have a process whereby third parties may object to the registration of a trademark, and in Nigeria, this process is called the Trademark Opposition. In Nigeria, Trademark Opposition typically runs through the following stages:

- **Commencement:** An Opposition is initiated by filing a Notice of Opposition within a non-extendable period of 2 months from the date of the publication of a trademark, using the format set out in Form 6 of the Trademarks Regulation.<sup>9</sup> The Notice of Opposition sets out the grounds upon which an

<sup>3</sup> Section 18 of the Trademarks Act.

<sup>4</sup> Although the term 'prima facie' is not used in the Act, we have used the term here because this initial determination of whether or not a mark is registrable is not absolute, as a finding that a mark should or should not be registered may be overturned at a latter stage.

<sup>5</sup> Section 18(2) of the Trade Marks Act and Section 34 of the Trade Marks Regulation

<sup>6</sup> Section 36 of the Trade Marks Regulation

<sup>7</sup> Section 19 of the Trade Marks Act

<sup>8</sup> Section 22 of the Trade Marks Act. It may be useful to note that the Registrar has a discretion under Section 22 (1) b of the Trade Marks to still refuse the registration of an unopposed mark. Although such discretion is rarely utilised, it was recently used to cancel the application for F/TM/0/2020/976 Domitilla in Class 41 on the 4<sup>th</sup> of May 2023

<sup>9</sup> Section 20 of the Trade Marks Act and Section 48 of the Trade Marks Regulation

Opposition is to be brought. The predominant ground for bringing an Opposition is that the mark conflicts with a prior trademark. While it is desirable that the Opponent's prior mark be registered (Section 13), it needs to be emphasized that the law does not proscribe the owner of an unregistered trademark from bringing an Opposition (Section 11).<sup>10</sup> Other grounds for Opposition may include: i.) the mark is descriptive and not distinctive, ii.) the mark is contrary to law, iii.) is a scandalous design, or iv.) the applicant for the registration suffers a legal incapacity,<sup>11</sup> amongst others.

- **Counterstatement:** Where an Applicant wishes to defend an Opposition, the Applicant files a Counterstatement within a non-extendable period of 1 month from the date of receipt of the Notice of Opposition, in accordance with Form 7 of the Regulation, specifying the grounds which support the opposed application. The usual grounds of defence include: a.) prior use of an Applicant (Section 7), b.) the trademark sought to be registered is derived from the corporate or natural name of the Applicant (Section 8), c.) distinctiveness by virtue of long use (Section 9(2)) as well as honest concurrent use (Section 13(2)).

*"It is important that a Counterstatement is filed timeously, because where a Counterstatement is not filed or filed out of time, an Applicant is deemed to have abandoned the Application.... The Registrar has no powers to extend the timeline within which an Applicant may file a counterstatement."*

From the foregoing, it is clear that an Applicant has to substantiate its claim to ownership of a trademark and it is for this reason that the burden of proof that a mark is registrable is placed on the Applicant in an Opposition proceeding.<sup>12</sup> It is important that a Counterstatement is filed timeously. because where a Counterstatement is not filed or is filed out of time, an Applicant is deemed to have abandoned the Application and a Notice of Abandonment of Application would be issued by the Registry.<sup>13</sup> The Registrar has no powers to extend the timeline within which an Applicant may file a counterstatement.<sup>14</sup>

- **Exchange of Evidence:** The Notice of Opposition and Counterstatements are like pleadings which contain mere averments. Evidence in an Opposition proceeding is filed by way of notarized Statutory Declarations<sup>15</sup> detailing facts

<sup>10</sup> Section 18 of the Trade Marks Act indicates that 'any person' may bring an opposition, not just the owner of a registered trade mark. Section 11 of the Trade Marks Act also indicates that "it shall not be lawful to register 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"; there is no mention of third-party registration in this Section. A similar Section was interpreted in the old English Trade Marks Act in the case of Smith Hayden & Co Ltd Application (1946) 63 RPC 97 at page 101, and it was held that registration was not a requirement for objection under this Section.

<sup>11</sup> For instance, where the Applicant is not a 'person' in law and is incapable of owning a trade mark.

<sup>12</sup> In Alban Pharmacy v. Sterling Products (1917-1976) 11PLR page 163 at page 169, the Supreme Court quoted the learned writer of Kerly's on Trade marks, 8th Edition at page 399 as follows: "...the onus is on the Applicant to satisfy the Registrar that the Trade mark applied for is not likely to deceive or cause confusion..."

<sup>13</sup> Section 20(3) of the Trade Marks Act

<sup>14</sup> Section 104 of the Regulations on extension of time excludes timelines provided for in the Act from being extended. The timeline to file a counterstatement is contained in the Act.

<sup>15</sup> Section 51 of the Trade Marks Regulation. This is not to say that the Registrar cannot call for oral evidence under Section 51 of the Regulations.

and annexing documentary or other types of evidence. The Opponent files a Statutory Declaration within one month of receipt of the Counterstatement, while the Applicant files one in return within one month of receipt of the Opponent's evidence. The Opponent may also file a Statutory Declaration in Reply.<sup>16</sup> Further Statutory Declaration may only be filed upon obtaining leave of the Registrar to do so. While an extension of time may be sought and granted for the filing of a statutory declaration,<sup>17</sup> a default by the Opponent in filing its initial Statutory Declaration may result in the Opposition being deemed as abandoned.<sup>18</sup>

- **Hearing and Ruling:** The Trademarks Regulation directs the Registrar to give a date when arguments by parties would be heard.<sup>19</sup> In practice, the Tribunal would direct parties to file their respective Written Addresses and then grant a hearing for verbal "debate". The Written Address details the relevant facts and ties the same to statutory and judicial authorities. After hearing parties, the Registrar would then deliver its ruling.

From the foregoing, it is clear that in the absence of an abandonment, the Trademark Opposition process takes quite some time to conclude. So why go through with this process? The next section of this article answers this.

### **Why Dig into the Opposition Gold Mine?**

While to the undiscerning, the Trade mark Opposition process may seem somewhat ignorable; from the business, commercial and the legal points of view, however, the Trade mark Opposition process is a literal gold mine. Like all gold mines, miners would be required to dig deep, to discern gold from pyrite and to refine the ore before it becomes presentable. Unlike a goldmine however, the value obtained from an opposition is often pre-emptive, by preventing future inconvenience and a consideration of the opportunity cost to the business.

The importance of Oppositions beyond the law:

#### **A. Insights into Actions or Intentions of Infringers**

As previously indicated, the process of registration involves the publication of trademarks to permit third party Oppositions. A review of the Trade Marks Journal provides valuable insights into marks filed by other persons and is therefore useful in the early detection of infringement.

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<sup>16</sup> Section 53 of the Trade Marks Regulations

<sup>17</sup> Section 57 of the Trade Marks Regulations

<sup>18</sup> Section 61 of the Trade Marks Regulations

<sup>19</sup> Section 56 of the Trade Marks Regulations

This is particularly true with respect to regulated products, as the National Agency for Foods and Drugs Administration and Control (NAFDAC) sets an Acceptance Notice as a prerequisite for seeking marketing authorization. This has compelled many infringers to apply for the registration of a trade mark before seeking product registration, with the hope that the true owners of the

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trademark would not be vigilant, and that the mark would be registered unopposed. It is therefore important for brand owners to be watchful in the review of the Trademarks Journal and to pick up not only marks identical to their marks, but any marks that can be confusingly similar.

#### **B. Leverage for Settlement and Early Settlement of Rights**

The detection of confusingly similar marks and filing of an Opposition can be the basis for the settlement of the terms of coexistence of the respective parties. The filing of an Opposition and the possibility of the loss of rights to an opposed trademark can be the much-needed incentive for an Applicant to sit with the Opponent to determine whether there may be suitable ways in which the rights of the respective parties may be delimited so that both parties can enjoy the use of their respective trademarks simultaneously. Marks may thus be delimited as to goods specification, colours, appearance, amongst others. The Opposition may then be withdrawn if a settlement is reached.

#### **C. Caution on How Much to Invest in a Brand**

When an application for a mark is made well before significant funds are expended on the promotion of a product, the opposition of such a mark becomes an early warning and an indication for caution on how much to invest in the promotion of such a mark. Without such warning, an Applicant may have unwittingly expended significant funds on promoting a brand that would not be profitable.

#### **D. Cost Effective Determination of Trade Marks Rights**

The Trademark Opposition process is typically less expensive than a full-scale litigation and would provide a valuable method by which the right of a party can be determined at a reduced cost. Although a decision of the Tribunal is subject to appeal to the Federal High Court, many persons who have lost at

the Opposition Tribunal choose not to appeal and the decision of the Tribunal would then be considered to be final.

### **E. Preventing an Infringer from Obtaining Statutory Rights**

Neglecting or omitting to file an Opposition also has the grave implication of giving an infringer room to gain statutory rights. Under Section 5(4) of the Trademarks Act, the ownership of a trademark registration is a defence to an action for the infringement of a trademark. The implication of this is that once an infringer's application trademark makes it past the opposition stage and proceeds to registration, the true owner cannot bring a trademark infringement on the basis of its prior registration.<sup>20</sup> Where this occurs, the true or prior owner would have to nullify or cancel the infringer's registered trade mark before an action for infringement can be brought. In addition to the significant cost and time expended on a cancellation action, the infringer with a registered right also has a good legal standing in a cancellation action, unlike in an opposition, the burden of proof in a cancellation action is on the person alleging that the mark ought to be cancelled.

## **Conclusion**

The above discussion is a call for action and alertness to businesses and brand owners to take advantage of the trademark opposition process, in boosting the value of their brands. While most brands seek to thrive and gain notoriety, the actions of infringers and even unwitting third parties may compromise the value of the brand. With vigilance and proactivity, brand owners can make the most of the spectrum of protection offered to under the law.

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<sup>20</sup> Please note that despite this Section, the owner of a trade mark who has prior goodwill can still bring a passing-off action based on the proviso to Section 3 of the Act which states that "...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."

## Key Contacts

For further information, kindly reach the key contacts below:



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