

ARTICLE SERIES

TRADEMARK INFRINGEMENT IN NIGERIA - ANALYSING THE DECISIONS IN FAN MILK V. MANDARIN HOTELS



MAY 2022

INTRODUCTION

On 10 March, 2022, the Federal High Court sitting in Abuja in Suits No: FHC/ABJ/CS/791/2020: Fan Milk International A/S v. Mandarin Oriental Services BV and The Registrar of Trademarks and FHC/ABJ/CS/792/2020: Fan Milk International A/S v. Mandarin Oriental Services BV and The Registrar of Trademarks, delivered two landmark judgements and established certain principles on the determination of trademark infringement.

The Court also used the opportunity to provide a clear interpretation of the provisions of the Trademarks Act regarding the registration of a trademark that is similar to an existing trademark but registered in a different class.

BACKGROUND

The Appellant, Fan Milk International A/S, had filed an opposition to the registration of the proposed trademark “**FAN DEVICE**” by Mandarin Oriental Services BV (“the 1st Respondent”) at the Trademarks, Patents and Design Registry (“the 2nd Respondent”) in classes 36 and 43. On 4 March 2020, the 2nd Respondent ruled against the oppositions and held that the 1st Respondent’s proposed trademark, **FAN DEVICE** with application no. F/TM/2016/109913 in Class 36 and application no. F/TM/2016/109913 in Class 43 (“proposed trademark”)

did not infringe on the existing trademark of the Appellant. Dissatisfied with the rulings, the Appellant appealed to the Federal High Court seeking amongst other reliefs, an order setting aside the registration of the 1st Respondent’s proposed trademarks.

THE FACTS

The Appellant produces and sells frozen dairy products, juice, and juice drinks. The Appellant’s claim is that it is the owner and proprietor in Nigeria of the trademarks “**FAN & Device**” with registration Nos. 52603 and 77109 in Class 29, Nos. 59404 and 77105 in Class 30 and 72061 and 51180 in Class 29.

The 1st Respondent is part of the Mandarin Hotel Group which operates and manages over 30 luxurious hotels globally. The 1st Respondent’s applied for the registration of the trademark “FAN Device” in classes 36 and 43, on the premise that it is registered in different continents around the world including Africa, Asia, Europe and the Middle East and so it intended to register same in Nigeria.

The Appellant claimed that the 1st Respondent’s proposed trademark is similar to the Appellant’s registered trademarks “**FAN & Device**” with Registration Nos. 52603

and 77109 in Class 29, Nos. 59404 and 77105 in Class 30 and Nos. 72061 and 51180 in Class 32, and would likely deceive customers and cause confusion in the course of trade.

THE APPELLANT'S ARGUMENTS

The Appellant argued that 2nd Respondent erred when it held that the proposed trademark was not similar to the Appellant's trademark. The Appellant cited the cases of **Alban Pharmacy Ltd. V. Sterling Products International Inc.** [1]; **International Tobacco (Nig) Ltd v. BAT (Nig) Ltd**[2] and **Tropical General Investments (Nigeria) Limited and Escola De Nataco E Ginastica Bioswin Ltda reported in the Compendium of Rulings of the Nigerian Trademarks Tribunal**[3] to establish the argument that

“when it comes to the principle surrounding whether two marks are confusingly similar, it is the offending trademark that is considered, in that, it is not whether if a person is looking at the two Trademarks side by side, there would be a possibility of confusion, but that whether the person who sees the proposed Trademark, in the absence of the Trademark and in view only of his general recollection of what the nature of the other Trademark was, would be liable to be deceived.”

[1] (1968) 1 All N.L.R 300

[2] (2009) 6 NWLR (PT. 1138) 577

[3] (2019) page 652-653

[4] (1917-1976) 1. I.P.L.R page 28

Relying on the aforementioned cases, the Appellant submitted that the 1st Respondent's proposed trademark, when viewed by members of the public, is likely to lead to a justifiable association between the two parties in consideration of their general recollection of the Appellant's long-established marks.

The Appellant further argued that the differences in the marks of the parties as drawn by the 2nd Respondent, especially as regards the combination of the blades of their respective fan designs and the shapes and words written on it were inappropriate and unrealistic as the purchasing public are not likely to scrutinize the conflicting labels the way the 2nd Respondent did. In addition, the Appellant argued that the Trademarks Act does not require certainty as to the level of confusion but likelihood of confusion and as such, since both marks consisted of similar predominant features, they were similar as to cause confusion.

On whether the fact that the competing trademarks registered in different classes was likely to reduce confusion, the Appellant argued that the likelihood of a confusion could not be avoided by the mere fact of the trademarks being in different classes. The Appellant relied on the cases of **Ferris George V. John Walden**[4]; **L'air Liquid Societe Anonyme Pour L Etude Et L Exploitation Des Roceded Georges Claude and Anor. v. M/S Liquid Air & Ors** and **Section 13(1) of the Trademarks Act**.

The Appellant further argued that although the marks were in different classes, the proposed trademark was phonetically, aurally and visually similar to the Appellant's trademarks and was likely to cause confusion. Finally, the Appellant argued that the Trade Related Aspects of Intellectual Property Rights ("TRIPS") Agreement is valid and existing in Nigeria and by its provisions, the Appellant contended that its trademarks are well-known brands in and out of Nigeria and are protected under both Article 6b of the Paris Convention and Article 16 of the TRIPS Agreement.

The Appellant further argued that TRIPS Agreement falls under the classification of commercial treaties that require only ratification and not domestication for their operation in Nigeria and as such, is enforceable in Nigeria without going against section 12 of the 1999 Constitution of the Federal Republic of Nigeria, as amended ("the 1999 Constitution"). Nevertheless, the Appellant argued in the alternative that where the Court decides that the TRIPS Agreement needed domestication, Nigeria signed and ratified the World Trade Organization Agreement, of which the TRIPS Agreement forms a part and as such reliance, could be placed on it.

The 1st Respondent's arguments

In response, the 1st Respondent argued that there are several differences between the proposed trademark and the Appellant's trademarks. The 1st Respondent further claimed that registration of the FAN design by the Appellant should not prevent the whole world from registering FAN devices that are conceptually different and in other classes as it is in the instant case.

Countering the Appellant's arguments on the likelihood of the proposed trademark causing any confusion, the 1st Respondent argued that the Appellant could not claim rights over a trademark registered in a different class as they were not in respect of the same goods or description of goods. The 1st Respondent added that the registration of the trademarks in different classes diminishes the possibility of the marks being confused.

The 1st Respondent also argued that the class in which the proposed trademark sought to be registered, class 36, is for services while the existing registrations of the Appellant are for classes relating to goods (and not services). The 1st Respondent further argued that if the Appellant had wanted to protect its mark in classes outside of its class of use, the Appellant should have registered it as a defensive trademark.

Another argument of the 1st Respondent was that a close inspection of the respective marks will show that they are visibly different especially as the Appellant's trademark has the words "Fan" and "Fanmilk" boldly inscribed on it while the 1st Respondent's proposed mark contained no such inscription.

With respect to the argument on the principle of famous and well known marks, the 1st Respondent argued that reliance could not be placed on the Paris Convention and the TRIPS Agreement as such reliance would be against the provisions of section 12 of the 1999 Constitution. The 1st Respondent argued that by section 12 of the 1999 Constitution, international treaties have to be ratified and domesticated in Nigeria to have the force of law. The 1st Respondent relied on the case of **The Registered Trustees OF National Association of Community Health Practitioners of Nigeria & Ors v. Medical And Health Workers Union of Nigeria**[5] where the Supreme Court held that no treaty between Nigeria and any country has the force of law except the treaty has been enacted into law by the National Assembly. Consequently, the 1st Respondent contended that the Appellant's arguments should be discountenanced.

[5] (2008) 2 NWLR (Pt.1072) 575

[6] (2004) LPELR-1275(SC)

DECISION OF THE COURT

The court formulated three issues after considering the arguments of the parties and resolved each issue as follows:

The first issue was **whether the 2nd Respondent was wrong when it held that the 1st Respondent's trademark was not identical to that of the Appellant nor so nearly resembles the trademark as to be proposed trademark of the 1st Respondent as to be likely to deceive or cause confusion.**

Relying on section 13(1) and (2) of the Trademarks Act and the decision of the Supreme Court in **Ferodo Limited & Anor v. Ibeto Industries Limited**[6], the court stated two principles that would serve as a guide in determining whether a proposed trademark is offensive or not as follows:

- Whether the proposed trademark is identical with a registered trademark belonging to a different proprietor? Or
- Whether the proposed trademark nearly resembles a registered trademark as to be likely to deceive or cause confusion?

The court disagreed with the argument of the 2nd Respondent on the procedure for comparing both trademarks i.e. looking at both trademarks side by side. The court further stated that the question is not if a person is looking at two trademarks side by side, whether there would be a possibility of confusion. The question is whether the person who sees the proposed trademark in the absence of the other trademark would be deceived and to think that the trademark before him is the same as the other, of which he has a general recollection.

Applying this principle to the case, the court held that both trademarks were not identical or likely to deceive or cause confusion as to be considered oppressive. The court further stated that the words "FanMilk" boldly written under the blades of the Appellant's trademark sets it asides and differentiates it from the 1st Respondent's proposed trademark. The court also stated that the Appellant's trademarks have been around for a long period of time and that people are used to what it looks like, particularly with the boldly inscribed Fan and FanMilk and as such, cannot be confused with any other Fan device without these words.

Thus, on the first issue, the court held that the 2nd Respondent was right in holding that both marks were not identical as to cause confusion.

The second issue formulated by the court was **whether the 2nd Respondent was correct to determine that the Appellant cannot claim rights over an allegedly conflicting trade trademark, registered in a different class.**

On this issue, the Court cited the provisions of section 13(1) of the Trademarks Act and held that there are two instances where a trademark shall not be registered.[7] In addition, the Court also relied on the Ferodo case and held that an action for infringement will lie where a competitor uses registered trademark in connection with proprietor's goods for the purpose of comparing them with his own goods in the **same class**.

Flowing from this, the court held that the 1st Respondent's mark could have only been rejected if it is identical with or it so nearly resembles the trademark of the Appellant which is already on the register and in respect of the same goods or description of goods. The mark of the 1st Respondent which the court held to not be identical to that of the Appellant was not in respect of the same goods or description of goods as the existing registration and the proposed trademark are in different classes. While the Appellant's trademarks cover goods, the proposed trademark of the 1st Respondent covers services.

[7] Please see the decision in the Ferodo case above.

Therefore, on this issue, the court held that the 2nd Respondent was right when it held that the Appellant cannot claim rights over an allegedly conflicting trademark registered in a different class.

The third issue formulated by the court was **whether the 2nd Respondent was wrong when it held that Section 12 of the 1999 Constitution prevents the Appellant from claiming the benefits afforded to famous and renowned marks on account of the Paris convention and the TRIPS Agreement.**

In resolving this issue, the court stated that the Paris Convention and TRIPS Agreement referred to by the Appellant have not been domesticated in Nigeria and by implication cannot be relied on. The court held that the 2nd Respondent was not wrong when it held that section 12 of the 1999 Constitution prevents the Appellant from claiming the benefits afforded to famous and renowned marks where the law they seek to rely on have not been domesticated in the country.

Therefore, this issue was also resolved in favour of the Respondents. Accordingly, the appeal was dismissed for lack of merit.

IMPLICATIONS OF THE DECISION

The decision establishes guiding principles for the determination of an infringing trademark. This decision is to the effect that in determining whether a proposed trademark is similar or identical to an existing one or not, the question is whether the person who sees the proposed trademark in the absence of the existing trademark would be deceived to think that the trademark before him is the same as the other. Where this is not the case, such a proposed trademark cannot be said to be infringing the existing trademark.

From this decision, it is clear that a detailed side by side comparison i.e. putting the two marks side by side, looking for resemblance may not be relevant in determining similarity as an average consumer would not in normal circumstances, analyse every minute detail but would rather perceive the mark as a whole.

Secondly, the decision is instructive on the right of a party to lay claim to an infringement over an allegedly conflicting trademark registered in a different class. Thus this decision, reiterates the settled principle of law that a party cannot claim rights over an alleged conflicting trademark registered in a different class.[8]

[7] Please see the decision in the Ferodo case above.

[8] See also the case of Ferodo Limited & Anor v. Ibeto Industries Limited (2004) LPELR-1275(SC)

Consequently, a proprietor of a trademark in a particular class cannot maintain an action for infringement against a proposed trademark in another class.

The last issue which the court addressed was the applicability and bindingness of the provisions of undomesticated treaties and conventions in Nigeria. In resolving this issue, the court relied on section 12 of the 1999 Constitution to determine if an unratified or undomesticated treaty prevents a party from claiming the benefits of the fame and renown attributable to its trademarks as allowed under the Paris Convention and the TRIPS Agreement.

The court stated that the Paris Convention and TRIPS Agreement referred to by the Appellant have not been enacted into law in Nigeria and as such cannot be enforced in Nigeria based on the provisions of section 12 of the 1999 Constitution. By this decision, section 12 of the 1999 Constitution prevents parties from claiming the benefits afforded to famous and renowned marks under the Paris Convention and TRIPS Agreement at least till the enactment of both Agreements in Nigeria.

CONCLUSION

The resolution of the formulated issues by the court in this case are a true reflection of the statutory provisions on each issue and represent a good development especially in the areas of the metrics for the determination of infringing trademarks. By upholding the decision of the Registrar of Trademarks and refusing the Appellant's opposition, the Federal High Court has succeeded in preventing an absurdity which would have come about by allowing the appeal.

The effect of allowing the appeal would have meant that even where there is no likelihood of confusion, proprietors would be prevented from registering trademarks in different classes from existing ones just because they have similar words. It is our opinion that this was not the intention of the draftsman when the Trademarks Act was being enacted and the decision of the Federal High Court in this case has reflected the true position of the law.



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