NAME: NWEZE EBERE JEDIDIAH

MATRIC NUMBER: 17/LAW01/192

DEPARTMENT: LAW

Abstract

Every business is concerned with its profit and loss, branding, trademarks, business name, consumers, competition etc. sometimes these competitors use similar business name, sign or mark because of the success of that particular name or mark. For example, when you buy a trusted product and then realize it is an identical brand made to look exactly like what you originally wanted. The worst part of this problem is that you need to look very closely at those products to tell the difference, especially when it supposedly does the same function as the product you requested.

This is a big issue especially in Nigeria where goods on the store shelves are not properly labelled. Where an individual’s business name, slogan, mark or sign is being challenged by a similar business name or ark then the tort of Passing Off shall arise. This assignment looks at the meaning, purpose, elements and relevance of Passing Off in Nigeria.

Meaning of Passing Off

Passing off is described as an unfair competition by misrepresentation or literally speaking “the cause of confusion or deception.” Generally, an action for passing off arises where the deception is made in the course of trade, which could lead to confusion amongst customers.

The essence of passing off is the selling of goods or the carrying on of a business in such a manner as to mislead the public into believing that the defendant’s product or business is that of the plaintiff, and the “law on this matter is designed to protect traders against that form of unfair competition which consists in acquiring for oneself, by means of false or misleading devices, the benefit of the reputation already achieved by rival traders.

An action for passing off is a common law remedy and the claimant need not establish title for same but must show that the goods/services have distinctive features. It is arguable to state that Passing off is both a common law and statutory remedy in Nigeria as it is statutorily supported by Section 3 of the Trademarks Act which provides that:

“No person shall be entitled to institute any proceeding to prevent, or recover damages for, the infringement of an unregistered trade mark; but 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.”

The above connotes that a passing off action instituted when a mark is not registered is both supported by common law and statutorily backed up.

Purpose of Passing Off

The tort of passing off is common in a competitive business community or economy. The tort of passing off is designed to protect a person’s business interests from the unfair trade practices and sharp practices of other persons. It protects the benefits and advantage of the good name, quality, reputation, patronage, and customers of the business. It a business against misrepresentation of the business, directed to its customers and calculated to damage the reputation and goodwill of the business. The tort of passing off is committed in various forms in Nigeria, as businesses resort to different strategies in imitating the products and business of their rivals.

In Nigeria, certain forms of passing off are easily noticed in the market. They are:

1. Trading with a name resembling that of the plaintiff

Trading under a name which is closely related to that of the claimant/plaintiff such name being likely to mislead the public. In Nigeria, the court has decided a similar situation in Niger Chemists ltd v Nigeria Chemists [1961] 1 ALL NLR 171 where Palmer J granted an injunction restraining the defendants from using the name “Nigeria chemists” as it was calculated to deceive those who had the intention to deal with Niger chemists. It is important to note that both parties in the suit were engaged in a similar business. Thus, where a name is made to deceive a consumer or the public due to its similarity with that of a plaintiff then that is a form of passing off and there exists a tort.

1. Marketing a fake products as that of the plaintiff by using the plaintiff’s label or design

Trading under a name already given for goods of that kind by the plaintiff or trading under a name so similar to that of the plaintiff’s as to be mistaken for it: where a trade name is already in use by the plaintiff for his goods and services, it will be actionable passing off for a defendant to trade under the name of the plaintiff. Descriptive name such as “water”, “beer” are not protected unless the plaintiff can prove that the descriptive name has acquired a secondary name exclusively associated with the plaintiff’s own product.

1. Marketing a product with a name resembling that of the plaintiff’s goods
2. Marketing products with the plaintiff’s trademark or its imitation
3. Imitating the appearance of the plaintiff’s product

Where there are characteristics in the Get up or appearance of the plaintiff, any adoption or imitation of the appearance or get up of the plaintiff’s goods by another in a manner likely to deceive will give rise to the tort of passing off. Thus, where the defendant imitates the get up or appearance of the plaintiff’s goods, the defendant is liable to passing off. In Trebor Nigeria ltd v Associated Industries ltd (1972) NNLR 60 Suit no K/127/71 May 29 (1972)\==.where the plaintiff claimed that the defendants were guilty of passing off their products. The Court held that the defendants had in every aspect from carton to tablet to manufacturing marketed a product as similar as possible to that of the plaintiffs.

1. Selling inferior or expired goods to the plaintiff as current stock; and
2. False advertisement by copying the plaintiff’s advertisement; and so forth

`The Constitution specifically makes provisions for passing off as follows:

“Notwithstanding anything to the contrary contained in this Constitution and in addition to such other jurisdiction as may be conferred upon it by an Act of the National Assembly, the Federal High court shall have and exercise jurisdiction to the exclusion of any other court in civil causes and matters on any Federal enactment relating to Copyright, patent, designs, trademarks and Passing Off, industrial designs and merchandise marks, business naes, commercial and industrial monopolies, combines and trusts, standards of goods and commodities and industrial standards.”

The Constitution also provides that:  
“if there is any other law that is inconsistent with its provisions, the Constitution will prevail, and that other law shall, to the extent of the inconsistency, be void. These provisions in the grundnorm, places the correct position in perspective and emphasizes the position of the Federal High Court as the Court with exclusive jurisdiction in Passing off actions.

They are certain remedies/reliefs which can be claimed in a Passing off action:

1. Injunction: This is an order of the Court to prohibit or suspend the use of a ark.
2. Damages: It has been established through decided cases that a successful litigant in a Passing off action is entitled to damages. Damages here could be general, special or punitive.
3. Delivery up for destruction of infringing goods: This is usually claimed where physical goods are involved. This occurs where goods are produced in breach of the trademark of another identical product.
4. Anton Piller Orders: This is an order for inspection and delivery up of infringing materials in the possession or control of the infringer.

Ferodo Limited & Anor v Ibeto Industries Limited

1. Account of profit: Here the plaintiff is entitled to profit on goods wrongly sold by the infringer.

Defences available against a claim of Passing off include the following:

1. Consent of the plaintiff to the use of the name, mark, sign or slogan.
2. Indistinct name, mark, sign and slogan of the plaintiff.
3. That the plaintiff’s name, mark, sign hand slogan has become generic/common place.
4. Dissimilarities in the mark of the plaintiff and defendant.
5. Innocent usage of the plaintiff’s name.

Conclusion

Passing off is a common law concept which prevents the unlawful usage of a man’s mark, sign or goods and services. Passing off protects the property rights of individuals. Passing off involves a mark, sign or goods and servicres not registered in accordance with Trademarks Act. The main purpose of an action for Passing off is to prevent one business from damaging or taking advantage of the goodwill and reputation built by another. The principle is that no man is entitled to represent his goods or his business as that of another. Passing off is not a criminal offence. However, any victim of Passing off may first make a report to the person/company manufacturing the product one intended to purchase to make them aware that another person/company is reproducing a similar product and passing it off as theirs.

References

Books

Kodilinye .G and Aluko.O, Nigerian Law of Torts (Spectrum Books LTD. 1999)

Heuston R.F.V, Salmond on the Law of Torts (16th edn, Sweet & Maxwell London 1973)

Online Articles

Law Student, ‘Tort of Passing Off Project Assignment for law of torts’ (Law Teacher 2 February 2018) https://www.lawteacher.net/free-law-essays.php#ftn2

T & A Legal, ‘Nigeria; An Appraisal of Passing Off Actions under Nigeria Law’ (Monday 5 June 2018)

www.mondaq.co/Nigeria/x/704160/Trademark//An+Appraisal+of+Passing+Off+Actions+Under+Nigerian+Law