

a **IN THE FEDERAL HIGH COURT**
HOLDEN AT LAGOS, NIGERIA
ON 11TH DAY OF SEPTEMBER, 1997.
b **BEFORE THE HONOURABLE**
JUSTICE AUTA
JUDGE

SUIT NO.: FHC/L/CS/640/94

c **BETWEEN**

NIGERIA DISTILLERIES LTD *Plaintiff*

d **AND**

e **1. RUFSON DISTILLERIES LIMITED**
2. ALHAJA OLAWALE K. KIYOMI
ENTERPRISES
3. G.O.F. ENTERPRISES *Defendants*

f **FACTS/BACKGROUND**

g The Plaintiff is the registered proprietor of the Trade Mark
“Seaman Schnapps” and the word, Seamans Schnapps, and
the word, Seamen Schnapps, used by the Defendants look
alike both in writing and pronunciation capable of confusing
the public to believe that it is the Plaintiff’s product that
h they are buying. It therefore contended that there is an
infringement of the Plaintiff’s Trade Mark and there is a
passing-off of the same by reason of that infringement.
By a Motion on Notice, the Defendant/Applicant is praying
the Court for an order suspending the enforcement of the
i ex-parte order against the Defendant. This Application is
based essentially on the purported lack of jurisdiction by
the Court as against the 1st Defendant/Applicant on the
j ground that there is a pending proceeding before the
Registrar of Trade Marks involving the 1st Defendant/

Applicant and the Plaintiff hence the action is premature.

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The Plaintiff/Respondent, however, maintains that the Applicant has not denied the fact that the Plaintiff is the owner of the Trade Mark 'Seaman' - the subject of the action, and that the Registrar has the power to refuse to register any Mark which is in conflict with an already existing Mark.

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SUBJECT MATTER

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1. INTELLECTUAL PROPERTY- PASSING-OFF ACTION—JURISDICTION OF FEDERAL HIGH COURT—WHETHER CAN ENTERTAIN MATTERS IN RESPECT THEREOF.

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2. INTELLECTUAL PROPERTY - FILING OF ACTION IN COURT WHEN ACTION FOR INFRINGEMENT IS PENDING BEFORE REGISTRAR OF TRADE MARKS-EFFECT-WHETHER IT RENDERS COURT ACTION PREMATURE .

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ISSUE

1. Whether the Federal High Court or any other Court has the jurisdiction to entertain the subject matter of this action (passing-off) considering the fact that the matter of the infringement of the Trade Mark and passing-off is pending before the Trade Marks Registrar for adjudication.

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HELD

1. **On whether Federal High Court has jurisdiction to entertain matters of passing-off being a common law action.**

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“Although the jurisdiction of the Court is statutory, it would seem that the enabling Decree did not

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a completely exclude the jurisdiction of the Court in
respect of actions arising from the common law”. See
Justice Karibi Whyte J. (as he then was) in *IML Air*
Chartering Nigeria Ltd. v. IMWL International
b *Messengers Nig Ltd (1979) 5 FHCLR.112* on p.119.

c A passing-off case simpliciter can be instituted in the
Federal High Court, for the infringement of any
registered or unregistered Trade Mark. See Section 3
Trade Marks Act, 1990.

d It is clear from the Particulars of Claim of the Plaintiff
that the claim of the Plaintiff is for an injunction
restraining the Defendant/Applicant from infringement
of the Plaintiff’s Trade Mark, Seamans and Device
e registered in Nigeria under No. 44431. Also, passing-
off, or causing, enabling, or assisting others to pass-
off the product purporting to be Aromatic Schnapps
with Trade Mark, Seamans, as for the Seaman’s
f Schnapps of the Plaintiff etc. I therefore find that the
subject matter of Passing-off is within the jurisdiction
of this Court to try as it concerns the matter of the
infringement of a Trade Mark.

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**2. Filing of action in Court when action for
infringement is pending before Registrar of Trade
Marks-effect**
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i “The Plaintiff’s case is that of the infringement of the
registered Trade Mark by the Defendants. The
Defendant did not deny that the Registered Trade
Mark, Seamans Schnapps, belongs to the Plaintiff. The
Plaintiff has also established that they are the registered
owners of the said Trade Mark. If that right is
j infringed, the proper forum for it to be resolved is in
the Federal High Court, as provided by law. The

Applicant in his submission conceded that it is the Federal High Court that has jurisdiction over the said subject matter.

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I therefore find that the action is not premature, as the Plaintiff is complaining about the infringement and Passing-off of its registered Trade Mark by the Defendant/Applicant”.

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CASES AND STATUTES

CASE

1. *IML/Air Chartering Nig. Ltd. v. IMWL International Messengers Nig. Ltd (1979) 5 F.H.C.L.R.P. 1123*

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STATUTE

Trade Marks Act Cap. 436 Laws of the Federation of Nigeria, 1990

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-Section 3

-Section 7

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COUNSEL:

O.O. Oyeleke - *For the Plaintiff/Respondent*

G.A. Okaro - *For the Defendants/Applicants*
holding the brief of Obi Okafor

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RULING

AUTA, J.: This ruling is on the Motion on Notice filed by the Defendants/Applicants in which they are praying the Court to

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- (a) Strike out the name of the 1st Defendant/Applicant from this Suit.

- (b) An Order suspending the enforcement of the ex-

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a parte Order dated 11/7/94, as against the 1st Defendant pending the determination of prayers A & C, herein.

IN THE ALTERNATIVE

b (c) An Order discharging the ex-parte Order of 11/4/94 as against the 1st Defendant/Applicant.

c The grounds for this Application as stated by the Applicant are as follows: -

d (i) This Honourable Court lacks jurisdiction as against the 1st Defendant/Applicant to entertain 1(a), (c), 2 and 3 or any other prayer in the Particulars of Claim touching upon infringement of Trade Mark.

e (ii) This Honourable Court lacks jurisdiction to entertain prayer 1(b), based on common law tort of passing-off.

f (iii) Prayer 4 cannot be entertained against the aforesaid 1st Defendant for same is based on the principal reliefs claimed by the Plaintiff/Respondent in its Particulars of Claim dated 21/6/94 and filed on 23/6/94.

g (iv) The Plaintiff/Respondent suppressed and/or misstated material facts.

h He supported this Application with a 28-paragraph Affidavit and some documents marked "A – F".

i The Plaintiff/Respondent on the other hand, filed a Counter-Affidavit of 8 paragraphs. The Applicant's Counsel abandoned reliefs B & C, according to him they have been overtaken by event.

j The Counsel submitted that they are not saying that the Court has no jurisdiction to entertain the subject matter of this Suit, but that the action is premature, in that there is a pending

proceeding before the Registrar of Trade Marks between the 1st Defendant/Applicant and the Plaintiff. That if this action is allowed to proceed, it will prejudice the action before the Registrar that was voluntarily taken there by the Plaintiff.

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He further submitted that the Plaintiff did not deny the averment in their paragraphs 1 – 15 of the Affidavit in support and are therefore deemed to have admitted them.

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He submitted that the 1st Defendant produces Seamens Products, that they applied for the Seamens Trade Mark, and the Registrar told them that the Mark was available.

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He submitted that by virtue of the provisions of Section 18(1)(c), an Applicant may be using a Mark before applying for it. He submitted that their Application was accepted absolutely and he referred the Court to Exhibit “C”.

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That in accordance with the provisions of Section 22 of the Act, the Registrar published their Application in the Gazette and the Plaintiff filed an objection. That this objection constituted a stay in the Registrar’s proceedings, as the Registrar has not received a decision one way or the other.

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He referred the Court to Section 5(4) of the Trade Marks Act and submitted that the use of one cannot constitute an infringement of the other. That if there had been no opposition, their Application could have been granted by now.

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He therefore submitted that based on the decision in the case of *Madukolu v. Nkemdilim (1962) 1 All NLR (Pt. 11) p. 581* there is a feature in this case that prevents the Court from exercising its jurisdiction to entertain this case, even though the subject matter is within the jurisdiction of this Court.

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a He referred the Court to *Exhibit "D"* where the grounds for
the opposition were stated and the two reliefs sought from
the Registrar. That as of today, the Registrar did not take any
b *Exhibit "F"*, the Counter-Statement filed by them.

He submitted that the concept of fraud cannot arise at this
stage, as the matter has not been determined.

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On the issue of passing-off, he submitted that it is a claim
that relates to Trade Mark, that it cannot stand alone. That if
d it stands independently, then it is a matter for the common
law. He referred the Court to the case of *IML Air Chartering
Nigeria Limited v. International Messengers Nig. Ltd (1979)*
e *5 FHCLR P. 103* and Section 230(1) (f) of Decree 107 of
1993 in support of this submission.

He, in conclusion, submitted that all the matters contained in
the Plaintiff's claim are matters before the Registrar which
f he has not adjudicated upon yet. That the Plaintiff can only
go to Court if they are not satisfied with the Registrar's
decision. That this Court cannot disregard the duties conferred
g on the Registrar of Trade Marks by Law. That what is before
the Court is the determination of the infringement of Trade
Mark or "passing-off". Therefore, this action is premature,
as the proceedings before the Registrar constitute a feature
h which will prevent this Court from hearing the matter.

The Plaintiff/Respondent on the other hand, submitted that
the Applicant have not denied the fact that the Plaintiff is the
owner of the Trade Mark, in question. That they have deposed
i to that fact in paragraphs 4 – 7 of their Counter-Affidavit.
He referred the Court to the case of (*Egbuna v. Egbuna (1989)*
2 NWLR Pt. 106 P. 1773) where it was stated that facts
j uncontroverted are deemed admitted.

He submitted that by virtue of the provisions of Section 7(1) paragraph C (ii) of the Federal High Court Act 1990, the Federal High Court has the exclusive jurisdiction on matters relating to Copyright, Patent, Design and Trade Mark. That this is also codified by Decree 107 of 1993 Section 230(1) paragraphs E & F and the case of (*Patkum Industries Ltd. v. Niger Shoes Manufacturing Ltd. (1988) 5 NWLR Pt. 93 p. 138*). That the matter before this Court is in respect of the infringement of the Trade Mark of the Plaintiff and the passing-off of the said Mark. That Section 3 of the Trade Marks Act confers the right on the Plaintiff to sue for an infringement of the right on the Trade Mark, Seamans Schnapps. That this has been confirmed in an action for passing-off which the Plaintiff can still be entitled to a remedy.

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He submitted that the Trade Marks Registrar has the power to refuse to register any Mark, which is in conflict with an already Registered Mark. He has the power to insist that an Applicant for a new Mark to be registered must amend this Application, to avoid his own Mark conflicting with an already registered Mark.

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That he has the power to rectify the Register of Trade Marks, where a Mark has been erroneously registered and the same Mark is in conflict with an already registered Trade Mark, as stated in Section 18(1)(2)(3) 18 and Section 38 of the Trade Marks Act 1990.

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He submitted that the Registrar does not have the right to determine a Trade Mark, whether registered or not or to determine an already registered Trade Mark.

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He submitted further that Section 18(7) of the Act, states that either the Court or the Registrar can before or after acceptance of an Application, correct any error in that subsequent Application, where such error infringes a right of a proprietor

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a of an already registered Trade Mark. That it is only the Court that can make an Order, which is capable of being enforced against an infringer of a Trade Mark name. The Registrar can only say this Mark is confusing or not confusing.

b That by virtue of Section 5 (1) of the Act, infringement of a Trade Mark is a cause of action over which this Court can rightly assume jurisdiction.

c That Section 67 of the Act defines Court, to mean the Federal High Court. That therefore the submission of the Applicant that this Court does not have jurisdiction over the subject matter because the case is before the Registrar of Trade Marks at Abuja, is erroneous.

e That the Exhibit tendered by the Applicant merely shows an acknowledgement by the Registrar that he has received their Application, for the Registration of the Trade Mark, Seamen's Schnapps.

f That Exhibit "C", shows that it has been accepted and is being processed. That the Defendant cannot have any right until it has been registered, and he referred to Section 13(1) and 2 of the Act in support.

g That by Exhibit "C" the acceptance, the Application will be published in the journal of the Trade Mark Registry to enable owners of already registered Trade Mark to raise an objection. That it is after the objection that the Registrar can proceed to register that name. If this is not done, then there is no registration of a Trade Mark.

i He submitted that the Plaintiff has registered the Trade Mark since 1980 and therefore there can be no right capable of being enforced by the Applicant.

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He submitted on the issue of passing-off, being a common law offence, that, where a common law action has been codified into a statute, it ceases to be a common law action and he referred to section 3 of the Act, and therefore this Court has jurisdiction to entertain the matter. That Section 650 of the CAMA 1990 defines Court and that since two Companies are involved in this Suit, this Court has the jurisdiction to entertain same. He relied on the case of (*Beecham Ltd v. Essdee Food Products Nig Ltd (1985) 3 NWLR PT.11 P.112.*)

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He submitted that the word, Seamans Schnapps, and the word, Seamen Schnapps, looks alike both in writing and pronunciation. He therefore urged the Court to hold that the latter Mark, Seamen Schnapps, is capable of confusing the public to believe that it is the Plaintiff's product that they are buying.

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He also urged the Court to hold that there is an infringement of the Plaintiff's Trade Mark and there is a passing-off of the same by reason of that infringement. That both the infringement and passing-off are matters that lie within the jurisdiction of this Court, and to dismiss the Application with cost.

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The issue for determination in this case, is whether the Federal High Court or any other Court has the jurisdiction to entertain the subject matter of this action, considering the fact that the matter of the infringement of the Trade Mark and passing-off is already before the Trade Marks Registrar for adjudication.

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The argument of the Applicant simply put is that this action is premature, as the matter is now before the Registrar of

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a Trade Marks in Abuja and until it is decided one way or the other, the matter is not ripe to be before any Court. That the matter being a passing-off matter, therefore a common law matter, this Court has no jurisdiction to entertain the subject matter.

c It is pertinent to note that the Applicant did not mention the fact suppressed by the Plaintiff, in their Application. I will deal with the matter of passing-off, being a common law action, whether it is actionable in the Federal High Court or not.

d The Applicant cited the case of *IML Air Chartering Nigeria Ltd. v. IMWL International Messengers Nig Ltd (1979) 5 FHCLR.112*) in support of his submission that this Court has no jurisdiction to entertain this action, which is based on the common law action of passing.

f I am afraid this case does not support the submission of the Applicant's Counsel.

g Justice Karibi Whyte (as he was) on p.119, stated as follows:
"Although the jurisdiction of the Court is statutory, it would seem that the enabling Decree did not completely exclude the jurisdiction of the Court in respect of actions arising from the common law".

h For instance, the provision of Section 7 (1)(c)(i)(ii) which confers jurisdiction on the Court in respect of matters arising from the operation of the Companies Decree 1968 and enactment relating to Copyright, Patent, Trade Mark and Merchandise Marks, may involve actions arising from common law, in respect of organisation of Companies, shares of Companies and dismissal of Directors or Servants of the Company. It may also involve actions in respect of

infringement of Trade Mark etc and relating to passing-off actions. All these may fall within the jurisdiction of this Court. It is therefore not correct to argue that a passing-off action being an action in tort cannot fall within the jurisdiction of this Court.

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A passing-off action based on the infringement of the Plaintiff's Trade Mark or Patents or Plaintiff's names already written, is within jurisdiction of this Court, as a civil cause or matter arising from any enactment relating to the operation of the Companies Decree 1968, Copyright, Patents, Designs, Trade Mark and Merchandise Marks. It is therefore erroneous to contend that Decree No. 13 of 1973, Section 7 excludes the enforcement of all rights founded on common law even though they touch and concern the matters specified in Section 7".

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This case was decided on 25/5/79 and it is pertinent to note that where a common law action has been codified into a statute, it ceases to be a common law action.

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The Trade Marks Act, 1990, Section 3 provides as follows;

“No person shall be entitled to institute any proceeding to prevent, or to recover damages for, infringement of an unregistered Trade Mark; but nothing in this Act shall be taken to affect right of action against any person for passing-off goods as the goods of another person or remedies in respect thereof”.

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It therefore goes without saying that a passing-off case simpliciter can be instituted in the Federal High Court, for the infringement of any registered or unregistered Trade Mark.

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It is clear from the Particulars of Claim of the Plaintiff that

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a the claims of the Plaintiff are for an injunction restraining the Defendant/Applicant from infringement of the Plaintiff's Trade Mark, Seamans and Device registered in Nigeria under No. 44431. Also, passing-off, or causing, enabling or assisting
b others to pass-off the product purporting to be Aromatic Schnapps with Trade Mark, Seamens, as for the Seaman's Schnapps of the Plaintiff etc.

c I therefore find that the subject matter of Passing-off is within the jurisdiction of this Court to try as it concerns the matter of the infringement of a Trade Mark.

d The next issue to consider is that of whether the action is prematurely instituted.

e The Plaintiff's case is that of the infringement of the registered Trade Mark by the Defendants. The Defendants did not deny that the Registered Trade Mark, Seamans Schnapps, belong to the Plaintiff. The Plaintiff has also established that it is
f the registered owners of the said Trade Mark. If that right is infringed, the proper forum for it to be resolved is in the Federal High Court, as provided by law. The Applicant in
g his submission, conceded that it is the Federal High Court that has jurisdiction over the said subject matter.

h I therefore find that the action is not premature, as the Plaintiff is complaining about the infringement and Passing-off of its registered Trade Mark by the Defendant/Applicant.

i The objection of the Defendant/Applicant is hereby refused.

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