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# Passing Off: A Concept Of Legal Boundaries



## Introduction

Certain symbols, signs, words, or groups of words are attributable to a person or an enterprise and consequently distinguish the goods and services of that person or enterprise from that of another. For example, a lone swoosh symbol on a product brings to mind that the product is associated with Nike Inc. Also, when a person sees a bitten apple logo on a product, there is a heavy presumption that the product upon which the logo is, is made by Apple Inc.

Ordinarily, once a person or enterprise wishes to be known by a symbol, sign, logo, or word or such symbol, sign, logo, or word has become attributable to the person or enterprise and a reputation has been built over the years by the use of such symbol, sign, logo, word, group of words, or any other indicative device, it should be registered as a trademark under the law of the state the person or enterprise operates or wishes to operate in. The purpose of this registration is to statutorily prevent the unauthorized use of the trademark by a third party, ensure the exclusive use of the registered trademark by the proprietor, and protect the branding and identity of the goods or product for which the trademark is registered. Where a third party without authorization uses a registered trademark, the registered owner of the trademark can institute an action on the basis of an infringement to prevent further unauthorized use and to recover damages for the earlier unauthorized use.

However, situations may arise where reputation has been built by a person or the proprietor of an enterprise from the use of a particular symbol, sign, logo, word, group of words, or any other indicative device and such person or enterprise fails to register them as a trademark. These symbols, signs, logos, words, groups of words, or other indicative devices are termed as unregistered trademarks.

Regardless of the non-registration of a trademark, a proprietor of a trademark has the right to institute an action under the common law tort of passing off in the event of an infringement by a third party provided that he proves all that is required to be proven under the law.

## Development of the Tort of Passing Off

The tort of passing off developed under common law and can be traced back to the 17<sup>th</sup> century where it was initially categorized under the tort of deceit or defamation. However, the tort was properly articulated in the case of *Perry v Truefitt*<sup>1</sup>. In this case, the plaintiff, Perry made and sold a composition named "Perry's Medicated Mexican Balm" for years and was known for it. His competitor Truefitt, the defendant made and sold a similar composition and named it "Truefitt's Medicated Mexican Balm" using bottles and labels that looked like Perry's product. Perry filed a bill against Truefitt, claiming that the name "Medicated Mexican Balm" was valuable to his business and that he should have the exclusive right to prevent others from using it. Though the Court denied Perry the right to the name, it was held per Lord Longdale that "a man is not to sell his own goods under the pretence that they are the goods of another man". This laid the foundation for the tort of passing off.

In Nigeria, the principles underlying the tort of passing off have been expounded by the Court in a plethora of landmark cases. In *Niger Chemists Ltd v Nigeria Chemists*<sup>2</sup>, the plaintiff carried on business as chemists and druggists under the name "Niger Chemists" in the Eastern part of Nigeria. The defendants thereafter, founded a firm carrying on the same business under the name "Nigeria Chemists". The plaintiff instituted an action against the defendant seeking for an injunction to restrain the further use of the name by the defendant on the basis that the business name used by the defendant was so similar to its own and thus was actionable under the tort of passing off. The Court in

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<sup>1</sup> 49 E.R. 749 (09 December 1842)

<sup>2</sup> (1964) ANLR 180

granting the injunction against the defendant stated that the use of the name by the defendant was calculated to deceive persons who knew of or intended to deal with the plaintiff.

In *Trebor Nigeria Limited v. Associated Industries Limited*<sup>3</sup>, Trebor Nigeria Limited, the makers of Trebor Peppermint brought an action against Associated Industries Limited, the makers of Minta Supermint claiming that the wrapper used to package the product by Associated Industries Limited was similar to that of *Trebor Nigeria Limited* and consequently, Associated Industries Limited was guilty of passing off their products as that of Trebor Nigeria Limited. Associated Industries Limited in their defence raised dissimilarities in the two products. However, the Court found it liable for passing off its product as that of Trebor Nigeria Limited. Other Nigerian cases where the principles of passing off have been expounded include, *Ogunlende v Babeyemi*<sup>4</sup>, *U.K Tobacco Co. Ltd v. Carreras Ltd*<sup>5</sup> and *De Facto Works Ltd v. Odumotun Trading Co Ltd*<sup>6</sup>.

### The legal Doctrine of Rights

In *Oko & Ors v A.G Ebonyi (2021) LPELR-54988 (SC)*, the Supreme Court per Ibrahim Mohammed Musa Saulawa JSC gave an exposition on the concept of rights as follows" ..... *Jurisprudentially, the term 'right' denotes something that is due to a person by just claim, legal guarantee or moral principle - the right of liberty; a power, privilege, or immunity accorded a person by law the right to dispose of one's property or estate; a legally enforceable claim that another will do or will not do a given act; the interest, claim, or ownership that one has in tangible or intangible property..... The right is correlative to duty, where there is no duty there can be no right. But the converse is not necessarily true. There may be duties without rights. In order for a duty to create a right, it must be a duty to act or forbear. Thus, among those duties which have rights corresponding to them do not come the duties, if such there be, which call for an inward state of mind, as distinguished from external acts or forbearances. It is only to acts and forbearances that others have a right".*

Salmond's theory on the five essential elements of a legal right have been widely accepted in determining whether or not a person has a legal right actionable in court. Applying Salmond's principle, a legal right accrues to a person instituting an action under passing off. The five essential elements are; (1) the person of inheritance, that is the person who is the subject of the legal right in this instance the owner of the goods or services that are being passed off as those of another; (2) the person of incidence, that is the person who has the corresponding duty to respect the right of the person of inheritance, in this instance the person against whom the action of passing off is instituted; (3) the content of the legal rights that is the obligation to do or not to do an act. Here, it is the obligation of a person not to pass off its goods and services as that of another person; (4) the object of the legal right, that is the goods or service being passed off and; (5) the title to the legal rights, that is the process by which the right is vested which in this instance is the process of creating the goods or services which are the objects of the trademark.

More importantly, there is also the statutory establishment of the rights of a proprietor of a trademark in Nigeria under the Trademarks Act, 2004. Section 3 of the Act provides that nothing in the act shall be taken to affect the right of action of anyone against another person who passes off his goods as his own and the remedies that would ordinarily be given in such action. This provision of the Act

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<sup>3</sup> (1972) NNLR 60

<sup>4</sup> (1971) 1 UILR 417

<sup>5</sup> (1931) 16 N.L.R 1

<sup>6</sup> (1959) LLR 33

fundamentally establishes that where a person cannot sue for the infringement of an unregistered trademark, he has the right to sue for passing off under common law.<sup>7</sup>

Following the above analysis, any person instituting an action for passing off has a legal right to be protected and consequently has a right of action to come before the court for the enforcement of the said right.

### **Enforcement of the Right Under the Tort of Passing Off**

In establishing the existence of legal rights under the tort of passing off, a proprietor of an unregistered trademark must prove three elements in a passing off action to establish the infringement of the trademark. The Supreme Court per Nnaemeka Agu, JSC in *The Boots Company Limited v. United Niger Imports Limited*<sup>8</sup> stated the three essential elements to be proved by a plaintiff in an action for passing off. The plaintiff must prove that (a) the name, mark, sign which he claims ownership has become distinctive of his goods and is regarded by a substantial number of the public or persons involved in a trade in the relevant market as coming from a particular source; (b) the defendants who are engaged in a common field have used a name, mark, sign so resembling the plaintiff's that it is likely or calculated to deceive or cause confusion in the minds of the common customer and; (c) the use of the name, mark, sign is likely to cause or has caused injury, actual or probable to the goodwill of the plaintiff's business.

In simpler terms, a proprietor of an unregistered trademark must prove (a) the existence of goodwill or a reputation in the trademark; (b) deception of the public due to a misrepresentation and; (c) an actual and potential damage to the proprietor's trademark.

The Court may, upon proof of the above elements grant an order of injunction, direct that damages be paid to the plaintiff, delivery of the infringing goods for destruction, grant an Anton Piller order to direct that the defendant account for the profit of the infringing goods.

### **Conclusion**

In the final analysis, once a symbol, sign or logo has become attributable to a person or an enterprise and a reputation has been built over the years, the lack of registration of such symbol, sign or logo by such a person does not leave the person helpless in the case of an infringement. The common law of passing off which has also been recognised by the Trademarks Act serves as a safe haven for persons who though have not registered their trademark are widely known for it.

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<sup>7</sup> See *Omnia Nigeria Limited v. Dyke Trade Limited* (2007) 15 NWLR Pt. 1058 at 576.

<sup>8</sup> (1977) 1 A.N.S.L.R 144

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