

## Clearing the Jurisdictional tug in the Interface between the Civil Jurisdiction of the Federal and State High Courts in Trademarks Disputes

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### *Abstract*

*Over the years, the Nigeria courts have been battling with whether it is the Federal High Court or the State High Court that has jurisdiction to entertain an action for infringement of registered or unregistered trademarks. This is the focus of this paper. The paper argues that in matters relating to intellectual property the Federal High Court has exclusive jurisdiction, irrespective of whether the matter has to do with trademarks or passing-off.*

### **1. Introduction**

Jurisdiction is the foundation of all adjudications. Its centrality and importance is critical to the life of all matters before the court. In the words of Niki Tobi, JCA (as he then was):<sup>1</sup>

Jurisdiction is the life wire of every litigation before a court of law. It is the lifeblood too. It gives strength to the litigation. Therefore, where one of the parties raises objection that the court lacks jurisdiction, the judge must stop the proceedings and take the objection ... This is because if the court has no jurisdiction, the proceedings however ably and well conducted, will be a nullity *ab initio*.

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<sup>1</sup> *Ani v Nna* (1996) 4 NWLR (Pt. 440) 101 at 119.

The Federal High Court is a court of limited jurisdiction which cannot exercise jurisdiction over any cause or matter outside that conferred on it by the 1999 Constitution,<sup>2</sup> the Federal High Court Act<sup>3</sup> and any other Act of the National Assembly to that effect. The jurisdiction in a trademark, among other matters, is a specific jurisdiction that warrants an interpretation of the Constitution and enabling statutes conferring the jurisdiction. Within the present context of adjudication over trademark matters, there is no doubt that the jurisdiction of the Federal High Court is not expressed in absolute terms and therefore requires further elucidation.

This paper therefore focuses on the jurisdiction of court to entertain disputes arising from trademarks infringement. It juxtaposes the relevant provisions of the laws on trademarks as they relate to court's jurisdiction. It also examines the tort of passing off *vis a vis* its relationship with trademarks with a view to discovering and determining the extent of controversies surrounding the basis of challenging court's jurisdiction.

## 2. The Powers of the Court

The Trademarks Act<sup>4</sup> in section 67 defines court as the Federal High Court. Also, the Act makes provision for the powers of the court in relation to the enforcement of trademarks right infringement, review of the decision of the Registrar of Trademarks and appeal from the decision of the Registrar. In furtherance of this, the Federal High Court Act<sup>5</sup> vests the Federal

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<sup>2</sup> See section 251 Constitution of the Federal Republic of Nigeria 1999 (as amended), hereinafter, "1999 Constitution."

<sup>3</sup> See Section 7 Federal High Court Act *Cap F12 LFN 2004*, *Okoroma v Uba* (1999) 1 NWLR (Pt. 587) 359, *Tukur v Govt. of Gongola State* (1989) 4 NWLR (Pt. 117) 517, *Mandara v AG of the Federation* (1984) 1 SCNLR 311.

<sup>4</sup> Cap T13 Laws of the Federation of Nigeria (LFN), 2004.

<sup>5</sup> Section 7(1) (c) (ii) Federal High Court Act, *Cap F 12 LFN*, 2004.

High Court with the power to entertain disputes arising from trademarks infringement, amongst others. The Constitution of the Federal Republic of Nigeria 1999 (as amended) also provides for the power of the Federal High Court to hear matters relating to trademarks infringement.<sup>6</sup>

The powers of the Court in trademark matters are basically that of adjudication and it includes the following:

### **2.1 Power to Hear Appeal from the Decision of the Registrar of Trademarks<sup>7</sup>**

Section 46 of the Trademarks Act vests the Registrar with the duty to hear certain persons. Also, Section 20(4) of the Act gives the Registrar the power to hear parties in relation to opposition of registration. Therefore, where a party is not satisfied with the decision of the Registrar on any matter which he has the power to hear, such a party can seek the leave of court to appeal such matter. The Act then provides that in any appeal from a decision of the Registrar to the Court under the Act, the Court shall have and exercise the same discretionary powers as conferred upon the Registrar under the Act. One of the instances where a party can appeal to the Court from the decision of the Registrar is exemplified in section 21(1) of the Act. It provides that the decision of the Registrar under section 20(4)<sup>8</sup> of the Act shall be subject to appeal to the Court.

In the case of *Nabisco Inc. v Allied Biscuits Company Ltd.*,<sup>9</sup> the issues were whether on the facts and circumstances of the case, the Registrar of Trademarks after upholding the

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<sup>6</sup> Section 251 (1) (f), 1999 Constitution.

<sup>7</sup> Section 55 Trademarks Act.

<sup>8</sup> Section 20 of the Trademarks Act relates to opposition to application for registration.

<sup>9</sup> (1998) 10 NWLR (Pt. 568) 16 S.C. See also *The Registrar of Trademarks v W. & G. Du Cross Ltd* (1913) A.C. 62 and *Re Garrett's Application to Register a Trademark* (1916) 1 Ch. 436.

appellants' preliminary objection has the power to strike out the matter finally or to adjourn the matter for hearing and grant an enlargement of time to the respondent to file evidence and whether the Court of Appeal was right in its restoration of the ruling of the Registrar of Trademarks instead of ordering a re-trial, having regard to the irregularities and circumstances of the case.

The facts of the case were that the respondents (Allied Biscuits Ltd.) filed an application to register "RITA" as a trademark after conducting searches in the registry of trademarks. The application was accepted and numbered. Thereafter, the appellant, Nabisco Incorporated, made an application to register the same "RITA" as its own trademark. The application of the appellant was advertised in the trademarks journal whereupon the respondent commenced opposition proceedings to challenge the registration at the Trademarks Registry. When the matter came before the Registrar of Trademarks, the appellant's counsel raised a preliminary objection, contending that there was no evidence before the Registrar on which the matter could proceed. He had filed a counter statement which was served on the respondent. It was the appellant's contention before the Registrar that the respondent should have filed a statutory declaration upon the receipt of its statement pursuant to Regulation 51 of the Trademarks Regulations, 1967.

After hearing arguments of both counsel, the Registrar upheld the appellant's objection and adjourned for hearing, extending the time within which the respondent may file its statutory declaration. At the close of hearing and after considering evidence, the Registrar refused to register the device "RITA" as the appellant's trademark. The appellant, being dissatisfied with the Registrar's decision, appealed to the Federal High Court which allowed the appeal and set aside the decision of the Registrar. The Respondent on its part being also dissatisfied with the decision of the Federal High Court appealed

to the Court of Appeal. The Court of Appeal allowed the appeal and restored the decision of the Registrar. The appellant further appealed to the Supreme Court. In the determination of the appeal, the Supreme Court unanimously dismissed the appeal.

**a. Power to Review the Decision of the Registrar of Trademarks<sup>10</sup>**

The Trademarks Act<sup>11</sup> provides that any person concerned who alleges-

- (a) that any entry has not been inserted in or has been omitted from the register, or
- (b) that any entry has been made in the register without sufficient cause; or
- (c) that any entry wrongly remains on the register, or
- (d) that any error or defect exists in any entry on the register, may apply in the prescribed manner to the Court or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as the tribunal thinks fit.

The Act also provides that the court, in dealing with any question of the rectification of the register (including all applications under the provisions of section 38<sup>12</sup> of the Act), shall have power to review any decision of the Registrar relating to the entry in question or the correction sought to be made. Apart from the power of the court to review the decision of the Registrar as it relates to rectifying the register, a person can also apply directly to the Court to make an order to rectify an entry in the register of Trademarks and where any order of the Court rectifying the register is made, it shall direct that the notice of the rectification

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<sup>10</sup> Section 54 Trademarks Act.

<sup>11</sup> Section 38(1) *id.* See also *In the Matter of Trademarks Ordinance* (1957) L.L.R 33.

<sup>12</sup> Section 38 relates to the general power to rectify register.

be served in the prescribed manner on the Registrar and the Registrar shall on receipt of the notice rectify the register accordingly.<sup>13</sup>

#### **b. Power to Entertain Matters Relating to Infringement of Trademarks**

The proprietor of a trademark can bring an action to prevent the registration of a mark similar to or resembling his own registered mark by another person. He can also institute an action if the mark which infringes his own mark has already been registered. Indeed, where the two marks resemble or nearly resemble each other as to be likely to deceive or cause confusion, the proprietor of a trademark can institute an action for infringement.<sup>14</sup>

The Constitution of the Federal Republic of Nigeria 1999 (as amended) provides for the jurisdiction of the Federal High Court. Section 251 of the Constitution provides that notwithstanding anything to the contrary contained in the Constitution, the Federal High Court shall have and exercise jurisdiction to the exclusion of any other court in matters that relate to, among several other things, the revenue of the Government of the Federation, taxation of companies and other bodies subject to Federal taxation, customs and excise duties and export duties, banks, banking and other financial institutions, federal enactment relating to patent, designs, trademarks, passing-off, admiralty jurisdiction, arms and ammunition, aviation and air craft safety etc.<sup>15</sup>

Also, Section 7 of the Federal High Court Act which deals with jurisdiction of the Court provides that the Court shall have exclusive jurisdiction to try, among other things, civil causes and

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<sup>13</sup> Section 38 (4) Trademarks Act.

<sup>14</sup> F.O. Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trademarks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2007), p. 233.

<sup>15</sup> See section 251(1)(f), 1999 Constitution.

matters relating to any federal enactment relating to copyright, patent, designs, trademarks and passing-off.<sup>16</sup>

In the case of *Savage v Allen*,<sup>17</sup> the plaintiff as registered proprietor of certain trademark claimed an injunction to refrain the defendant from infringing his registered marks and from passing off his goods as or for those of the plaintiff. He also claimed damages and delivery of the marked goods. The goods in question consisted of a word and a picture in each case. They referred to medicines for babies. The plaintiff's word was "Yaro," Hausa word meaning, "baby boy" while the defendant's word was "Yiola," Yoruba word meaning, "it will live." It was not suggested that a literate person could make any mistake in reading the two words nor was it suggested that an illiterate person would be confused by the sound of the two words. The general practice of trade in Lagos had for many years then been that a picture of a baby was shown on all "baby medicines." Both the plaintiff and the defendant had a picture of a baby on the medicines in question. The two pictures in question in this case in no way resembled each other except that each was a picture of a baby. That of the plaintiff was admittedly a duplicate - differing only in colour and size - of a picture which another dealer in Lagos had been using for a long time prior to the plaintiff's registration. The defendant's counsel argued that in view of the prior established user of the plaintiff's mark by another dealer, the plaintiff had obtained registration of his mark by fraud. Giving judgment for the defendant, the Court held that in view of the established practice of the use of pictures of babies on "baby medicines" and of the difference between the plaintiff's and the defendant's pictures there had been no infringement by the defendant of the plaintiff's mark.

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<sup>16</sup> See section 7(1)(c)(ii), Federal High Court Act, Cap F12, LFN, 2004.

<sup>17</sup> (1936) 13 N.L.R 34.

However, in the case of *Ferodo Ltd. and Anor. v Ibeto Industries Ltd*<sup>18</sup> which came before the Court of Appeal, the issues being whether the registered Trademark of the 1<sup>st</sup> appellant is simply the word “Ferodo” and the representation as shown in the exhibit and whether the respondent infringed the appellants’ registered Trademark. The Court of Appeal considered what would constitute an infringement of a trademark. The Court of Appeal stated, upon examination of several cases, that infringement of a Trademark would occur when there is a deliberate or even chance occurrence by the defendant to make its own product almost similar to the plaintiff’s product to such an extent that intending customers would readily confuse one product for the other. In such a case, the deceptive or chance occurrence would have done damage to the business of the other party. That is, the prospective buyer when buying the defendant’s product must have thought that he was buying the plaintiff’s product, the latter being what he intended to purchase. In other words, the trademark of the defendant must have deceived the prospective buyer to mistake one for the other and it does not matter whether such a prospective buyer is literate or not.

#### **4. Federal High Court v State High Court: The Juridical Foundation**

The extant trademarks legislation in Nigeria is the Trade Mark Act of 1965, revised into the Laws of Federation of Nigeria 2004. This is virtually a verbatim adaptation of the English Trade Marks Act of 1938. Under the Nigerian legislation, the functions of the courts are pivotal in resolving trademark issues and section 67 of the Act defines ‘court’ as the Federal High Court. In simple

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<sup>18</sup> (2004) 5 NWLR (Pt. 866) 317. See also *In Re Clement et Cle’s Trademark* (1990) Ch. D 114 at 120, *Bryant and May Tim* (1890) 8 RPC at 69, *Bradley’s T.M.* (1892) 9 R.P.C 205, *Sandow’s Application* (1914) R.P.C 196, *James Heddon’s Sons Millsite Steel v Wire Works* 317 U.S 474 87 L.E.D 541.



terms, this would seem to suggest that under the Act any case that has to go to court must be adjudicated upon at the Federal High Court and nowhere else. But in practical terms and having regard to the provisions of the Trademarks Act and Nigerian Constitution, the issue seems more complicated.<sup>19</sup>

Fundamentally, the Federal High Court is a creation of statute with jurisdiction that is not, unlike that of a State High Court,<sup>20</sup> ‘unlimited’ or ‘inherent’ in the sense of powers specifically vested in the court to hear and determine issues relating to the particular subject matter of trademark. This is why the etymology of trademark as a subject matter is critical to the scope of jurisdiction of the Federal High Court in its interface with that of a State High Court. The effect of the substantive application of the system of protection afforded trademarks, whether in its registered or unregistered form has extended to the determination of the jurisdiction of the court before which the matter is brought. Consequently, the question of jurisdiction and the scope or extent of jurisdiction of court has become critical to the adjudication of trademark matters in some essential respect that is unique only to trademarks law. First, is the fundamental nature of jurisdiction at the threshold of adjudication of all matters.<sup>21</sup>

Secondly, unlike the general sense in which jurisdiction is fundamental in all causes and matters, the function and importance of trademark in the context of commercial transaction, as mentioned earlier, is critical to the definition of the boundaries of jurisdiction on trademarks matters generally.

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<sup>19</sup> Templars, ‘Trademark Infringement: Suing For “Passing-Off” in Nigerian Courts’, [www.templars-law.com/media/Trademark%20Infringement.pdf](http://www.templars-law.com/media/Trademark%20Infringement.pdf) accessed on 24 February, 2013.

<sup>20</sup> See section 272 of the Constitution of the Federal Republic of Nigeria 1999 (as amended).

<sup>21</sup> *Ifezue v Mbadugha* (1984) 1 SCNLR 427, *Okafor v A-G Anambra State* (1991) 6 NWLR (pt. 200) 659.

Thirdly, the impact of the nature and history of the subject matter of trademark rights which has established two distinct systems or regimes of protection requires precise legal definition. Fourthly, the imperative for more clarity and the necessity for forum convenience cannot be over-emphasised.<sup>22</sup>

No doubt the jurisdiction of the Federal High Court has had a chequered history. In about forty years of the existence of that specialized court, it is striking how so much has changed and how the state of the law has not sufficiently reflected those imperatives, notwithstanding the shifting positions that have attended the issue of the jurisdiction of the court generally and with respect to trademark matters.<sup>23</sup> The history of the jurisdiction of the Federal High Court *vis-à-vis* State High Court reveals a crisis of definition and uncertainty such that the courts were confronted with the task of investigating the nature of trademark dispute before them in order to determine whether or not they have jurisdiction. Consequently, it would not be sufficient to assume jurisdiction because the matter simplistically involves trademark. This, therefore, requires a critical examination of the history of the jurisdiction of the Federal High Court and its relevance to trademark matters, among other matters.

Emerging from the portals of the old Federal Revenue Court, the Federal High Court is a child of a sheer combination of legal and political exigencies.<sup>24</sup> Legal, because a federal court was consistent with the federal structure that emerged with a Federal Constitution in 1954.<sup>25</sup> Political, because the military

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<sup>22</sup> A. Adewopo, "One Trademark, Two Courts: *Ayman v Akuma* Revisited," <[www.nials-nigeria.org/.../Adewopo-Adjudication%20of%20Trademark.pdf](http://www.nials-nigeria.org/.../Adewopo-Adjudication%20of%20Trademark.pdf)> accessed on 24 February, 2013

<sup>23</sup> *Ibid.*

<sup>24</sup> *Ibid.*

<sup>25</sup> See Nigerian (Constitution) Order in Council, 1954, Section 1, 1954 11, 40.

political administration ensured and in fact mid-wifed its eventual survival as part of the institutions in the Nigerian judicial system.<sup>26</sup> The creation of Federal Revenue Court in 1973 (to be referred to as Federal High Court) was essentially to facilitate adjudication of matters concerning revenues of the federal government in form of taxes, custom duties, and other related matters.<sup>27</sup> Consequently, the court was vested with the jurisdiction to hear civil and criminal matters concerning federal government revenue and exercising general commercial jurisdiction in cases concerning companies, banking, insurance, trademarks, patent and admiralty and so on. Shortly after its creation, Elias CJN had the opportunity of providing the judicial articulation of the original context of the creation of the court:<sup>28</sup>

The true object and purpose of the federal revenue court can be gathered from the four corners of it, is the more expeditious disposal of revenue cases particularly those relating to personal income tax, customs and excise duties, illegal currency deals, exchange control measures and the like, which the high courts had been too tardy to dispose of especially in recent years.

Obviously, there was no Federal High Court prior to 1973 but the Trademark Act 1965 originally defined the “court” to mean the High Court of Lagos. However, other High Courts exercising jurisdiction as judicial activity outside Lagos showed

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<sup>26</sup> The Federal Constitution of 1954 had created regional courts exercising federal jurisdictions and applying federal laws within the limits of their jurisdiction. See section 126 which empowers the federal parliament to establish courts in the region.

<sup>27</sup> According to Karibi- Whyte, although it was convenient, it was however not satisfactory. See Karibi-Whyte, *The Federal High Court, Law & Practice* (Enugu: Fourth Dimensions, 1986), pp. 3-5.

<sup>28</sup> See *Jammal Steel Structures v. ACB* (1973) All NLR (Pt 1) at 222.

more than a handful of trademark decisions.<sup>29</sup> Perhaps it could be said that from the onset, controversy attended the birth of the court. It was first between the High Court of Lagos and other High Courts, then between the High Courts and Federal High Court. By 1973 when the Court was created, it was not clear whether the enabling law successfully removed matters relating to trademark from the High Court. Supreme Court decisions fuelled this position and the post 1979 jurisprudence has not completely removed any contention about the Court's jurisdiction. The expectation that jurisdiction on matters relating to trademark has been removed from the purview of the High Court which had conveniently exercised jurisdiction in such matters prior to 1973 was only too simplistic.<sup>30</sup> With the original Federal High Court Act of that year vesting jurisdiction concerning copyright, patents, designs, trademarks and merchandise marks on the court, it would appear that jurisdiction on trademark matters has been put beyond peradventure.<sup>31</sup>

<sup>29</sup> Reported and unreported cases emanated from cities such as Onitsha, Aba, Port Harcourt, Kano and even Ibadan. See *the Singer Company v Pius Asuzu* 10 ENLR 229 (Onitsha), *Trebor Nig. Ltd. v Associated Industries* (1971) 2 All NLR 121 (Kano). Other unreported eastern cases include *May & Baker Ltd v Onunnma (Trading as Starline Chemist)* (Unreported Suit No. A/18/72 and *Melos v Miros & Co.* (Unreported) Suit No. A/83/72. A review of the pre-1973 Federal High Court jurisdiction in relation to trademark is contained in two seminar articles by Ezejiofor. See: Ezejiofor, "Jurisdiction To Entertain Actions under the Trademarks Act 1965," *Nigerian Journal of Contemporary Law*, Vol. 3 No. 2 pp.139-147; Ezejiofor, "Jurisdiction To Entertain Actions under the Trademarks Act 1965: A Further Comment," *The Barrister*, Vol. 1 No. 4 (1973) pp. 54-59.

<sup>30</sup> In the revised Laws of the Federation of Nigeria, 1990 as well as 2004, Section 67 of the Trademarks Act has now defined 'court' to mean the Federal High Court.

<sup>31</sup> See s. 7(1)(c)(ii) of the Act and Adaptation of Laws (Re-designation of Decree etc) Order 1980 which re-designate Decrees as Acts and section 230(2) which renamed the court as the Federal High Court.

The pre 1979 jurisdiction of the Federal High Court was primarily governed by the original Federal Revenue Court Act 1973 which created the Court and vested it with original exclusive jurisdiction that covered, among others, matters relating to intellectual property.<sup>32</sup> It is significant to note that the judicial interpretation that immediately followed established a rule of concurrent jurisdiction that has characterized the development of the law on the jurisdiction of the Federal High Court on trademark matters. With the State High Court having unlimited jurisdiction generally, the persuasive rule was that both the State High Courts and the Federal High Court had concurrent jurisdictions on the same matters.<sup>33</sup> The early cases of that era showed that pattern. For instance, as far back as 1974, *Aktiebolaget Jonkoping Vulcan v. Star March Co. Ltd*<sup>34</sup> offered authority for what was an anomalous situation where two courts exercised concurrent jurisdiction on the same matters.

The express stipulation of matters within the purview of the Federal High Court ought to have been interpreted to remove them from the ‘unlimited jurisdiction’ of the State High Court. In this decision and a similar one in *IML Air-chartering Nig. Ltd v. IML International Messengers (Nig) Ltd*.<sup>35</sup>, the Federal High Court had declined jurisdiction on a solely passing off matter, the action having been founded on common law tort of passing off. The reasoning by the court, based on the interpretation of section 7 of the Federal High Court Act, was that the action must be shown to be ‘arising from any enactment’ relating to copyright, patents, designs, trademarks and merchandise marks.

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<sup>32</sup> Adewopo, above note 22.

<sup>33</sup> *Ibid.*

<sup>34</sup> (1974) 1 FRCR 66.

<sup>35</sup> Unreported Suit No. FRC/L/9/79 now reported in (1997-2003) 4 IPLR 3. See also *Gbadamosi Tokunboh & Anor v Charai & Co (ph) Ltd. & Anor* (1917-1976) 1 IPLR and also *LRC International Ltd v Jena trading Co.* (1917-1976) 1 IPLR 307 both decided in 1976.

Consequently, the Court could not find jurisdiction on an action solely based on common law of passing off. That was the state of the law sowing the seed of concurrent jurisdiction.

## 5. The Positions: Judicial and Legal

One most important jurisdictional issue that has always come up for the determination by the court occurs when an action for infringement of trademark is instituted in respect of an unregistered trademark. The crux of the matter here has been whether it is the Federal High Court that should exercise jurisdiction in the light of the provision of section 65 of the Trademarks Act which defines court to mean Federal High Court or the State High Court due to the provision of Section 3 of Trademarks Act which precludes the bringing of an action where an unregistered trademark has been infringed and only reserves the right to institute an action in passing-off which is a tortuous action and can only be enforced in a State High Court which has an ‘unlimited’ jurisdiction.<sup>36</sup> Section 3 of Trademarks Act, states:

No person shall be entitled to institute any proceeding to prevent or to 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.

Due to the ambiguous and unclear state of this provision as to which court should have the jurisdiction in a matter based on an unregistered trademark infringement,<sup>37</sup> the various statutes including the 1979 and 1999 constitution as well as the decisions of the Courts will be used to examine the position thus far.

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<sup>36</sup> Section 236 1979 Constitution of the Federal Republic of Nigeria, hereinafter “1979 Constitution.”

<sup>37</sup> Adewopo, above note 22.

Under the Constitution of the Federal Republic of Nigeria 1979, Sections 228 to 233 established the Federal High Court and stipulate its powers and composition. Under section 230 of the same Constitution, the Federal High Court, subject to the Constitution and in addition to such other jurisdiction as may be conferred upon it by an Act of the National Assembly, has jurisdiction to deal with matters: (i) connected with or pertaining to the revenue of the Government of the Federation as may be prescribed by the National Assembly; and (ii) in such other matters as may be prescribed as respects which the National Assembly has power to make law. It is also provided under section 231(1) of the Constitution that the Federal High Court in exercising its original jurisdiction or any other jurisdiction that may be conferred by an Act of the National Assembly shall have all the powers of a State High Court. Furthermore, under section 231(2) of the Constitution, the National Assembly may confer additional powers on the Federal High Court to enable the Court to more effectively exercise its jurisdiction.

However, Sections 234 to 239 of the 1979 Constitution established the State High Courts and stipulates their jurisdiction, composition and powers. Section 236 of the Constitution stipulated what was referred to as ‘general jurisdiction,’ while section 237 stipulated ‘jurisdiction as to certain proceedings.’ Under the general jurisdiction a State High Court has: <sup>38</sup>

unlimited jurisdiction to hear and determine any civil proceedings in which the existence of or extent or a legal right, power, duty, liability, privilege, interest, obligation or claim is in issue or to hear and determine any criminal proceedings involving or relating to a penalty, forfeiture, punishment or other liability in respect of an offence committed by a person.

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See section 236 1979 Constitution.

Furthermore, sections 249 to 254 of the 1999 Constitution establish the Federal High Court and make provisions for its composition and jurisdiction. Specifically, section 251 of the Constitution provides for the jurisdiction of the Court. As against the provisions under the 1979 Constitution, section 251(a) to (r) of the 1999 Constitution itemise the matters over which the Court has jurisdiction ranging from the revenue of the Federal Government to companies' taxation, customs, excise and export duties, banks, banking and financial institutions, Companies and Allied Matters Act, admiralty jurisdiction, shipping, diplomatic and consular matters, citizenship, arms, drugs and position among several others. Under section 252 of the Constitution, the Federal High Court in exercising its jurisdiction is to have all the powers of State High Court.

For the present discourse, however, the relevant provision of the Constitution is section 251(1)(f) which gives the Federal High Court exclusive jurisdiction over 'any Federal enactment relating to copyrights, patents, designs, trademarks and passing off, industrial designs and merchandise marks...' This appears to be a very clear and precise provision, but a combination of factors has left Nigerian courts battling to make definitive statements on the import of this and similar statutory provisions.<sup>39</sup>

Sections 270 to 274 of the 1999 Constitution establish a High Court for each state of the Federation and provides for the composition and jurisdiction of such courts. Specifically, section 272(1) of the Constitution provides, among other things, that 'subject to the provisions of section 251 and other provisions of the Constitution, the High Court of a State shall have jurisdiction to hear and determine any civil proceedings...' This in effect replicates *in extenso*, the provisions of the 1979 Constitution on the State High Courts. The only exception is that under the 1999

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<sup>39</sup> Templars, above note 19.



Constitution, the jurisdiction of the State High Court is subjected to section 251, which establishes the Federal High Court.

Also, the Federal High Court Act, 1973 provides in its section 7 for the jurisdiction of the Federal High Court. It provides that the Federal High Court shall have and exercise jurisdiction in civil cases arising from any enactment relating to copyright, patents, designs, trademarks and merchandise marks.<sup>40</sup>

However, from the above provisions on jurisdiction, it would appear that the powers of the Federal and State High Courts were distinctly delineated under the 1979 Constitution in terms of subject matter jurisdiction. In the case of *Savannah Bank of Nigeria Limited v. Pan Atlantic Shipping and Transport Agencies Limited*,<sup>41</sup> one of the issues before the court was whether the State High Courts have jurisdiction to entertain admiralty related matters (hitherto reserved for the Federal High Court after the commencement of the 1979 Constitution). In its judgment, the Supreme Court held that section 230 of the 1979 Constitution which conferred 'unlimited jurisdiction' on State High Courts had, by implication, obscured the exclusive jurisdiction conferred on Federal High Court in certain matters by the Federal High Court Act in matters that included admiralty and federal revenue.

It is, however, important to state that the 1999 Constitution of Nigeria makes slight but far-reaching changes to the jurisdiction of the Federal High Court and State High Courts. For the Federal High Court, section 251(1)(f) of the Constitution provides that the Court shall, 'notwithstanding anything contrary contained in this Constitution...' have and exercise jurisdiction to the exclusion of any other court in matters that relate to, among several other things, federal enactment relating to patent, designs, trademarks and passing off.

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<sup>40</sup> Section 7 (1) (c) (ii), Federal High Court Act, Cap F12, LFN, 2004.

<sup>41</sup> (1987) 1 NWLR (Pt. 49) 212.

To better complete the picture and understand the issues above, it is necessary to bring in the Trade Marks Act. Section 3 of the Act provides that ‘no person shall be entitled to institute any proceeding to prevent or to 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 objective of the first part of the above provision is quite clear, that is, to prevent any person from instituting an action in respect of a trademark that has not been registered. This is apparently meant to encourage the formal registration of trade marks by their proprietors. This notwithstanding, the second part of the provision suggests that non registration of any mark does not necessarily imply free access by all and sundry to such marks, but such qualification only applies in cases where ‘passing-off’ has been alleged.<sup>42</sup>

However, it is submitted that this confusion appears unnecessary after 1999, due to the fact that the 1999 Constitution is clear on the powers of the respective High Courts in relation to trade marks related issues. This notwithstanding, there have been series of cases through the Nigerian Court system on the very issue of the requisite judicial jurisdiction to adjudicate cases of ‘passing-off’ i.e. unregistered trademark. Some of these judicial developments are discussed below.

The case of *Patkun Industries Ltd v Niger Shoes Ltd*<sup>43</sup> was a pre-1999 decision, but is very relevant to the issues surrounding judicial adjudication of ‘passing-off’ claims. In this case, on appeal to the Supreme Court, the material facts turned on the interpretation of the *proviso* to section 3 of the Trade Marks Act 1965, which is *in pari materia* to section 3 of the Trademarks Act

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<sup>42</sup> Templars, above note 39.

<sup>43</sup> (1988) 5 NWLR (Pt. 93) 138.

2004 cited above. The issue was whether that *proviso* preserved the common law right of action in ‘passing-off’ as a common law remedy or had converted the remedy to a statutory one under the Act. In deciding the question, the Supreme Court held, among other things, that:

- Where a statutory provision is in conflict or differs from common law, the common law gives way to the statute;
- A statutory right may be conferred in addition to and not in derogation of a common law right;
- Section 3 of the Trade Marks Act, 1965 *proprio vigore* thus gives a right of action in ‘passing-off’. The right of action is therefore derived from the Trade Marks Act, 1965 and not from the Common law.

It is doubtful if the decision above represents the correct position of the law, even if it was a Supreme Court decision and remains the law until set-aside by the Court itself. This notwithstanding, it is argued here that the common law right of ‘passing-off’ cannot be regarded as being a statutory right because what the Trade Marks Act did had been to affirm the existence of common law right as it were for unregistered trademarks and not to make it a statutory remedy.<sup>44</sup>

Essentially, the Act is saying that even if a person cannot sue for an infringement of unregistered trademarks, he is allowed to sue for ‘passing-off’, which cannot be affected by the fact of non-registration, it being a common law right. It has been the misapprehension of the above distinction that has left several litigants traversing the courts to argue same over the years.<sup>45</sup>

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<sup>44</sup> Templars, above note 19, p 12.

<sup>45</sup> *Ibid.*

In *Ayman Enterprises Ltd. v Akuma Ind. Ltd. & Ors*<sup>46</sup> the issue involved the alleged infringement through ‘passing-off’ of an unregistered trademark. The case was an action brought by the plaintiff/appellant in respect of infringement and passing off of its trademark, ‘New Queens,’ for wigs and hair attachment by defendant/ respondent’s trademark, ‘Original Queen’ identical to and sold in appellant’s distinctive get-up. The appellant as plaintiff instituted the action against the defendants in the Federal High Court of Lagos claiming in the main orders of injunction and damages for passing off of the trademark of its (appellant’s) products. The Court found for the appellant and granted appellant’s motion on notice for *Anton Piller* injunction. Dissatisfied, the respondents appealed to the Court of Appeal. The Court of Appeal allowed the appeal and set aside the ruling of the trial court. However, it is significant to note that against the argument of the respondents’ counsel, the Court of Appeal held that the trial court had jurisdiction to entertain the suit. This is the all important issue which forms the centre of the Supreme Court’s decision on the appellant’s appeal to that court. In resolving the issue, the Supreme Court considered the relevant provisions of the 1999 Constitution, the Federal High Court Act 1973 as amended and the Trademarks Act 1965.

In reaching its decision, the Supreme Court held that in order for the Federal High Court to assume jurisdiction over ‘passing-off’ related infringements, the concerned trade mark(s) must have been registered. In essence, where the trade mark(s) in issue is not registered, that *ipso facto* denies the Federal High Court of jurisdiction. This is a reaffirmation of the decision in *Patkun’s* case noted above.

The above decisions of the Supreme Court have been criticized by several writers as not being a correct reading of the

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<sup>46</sup> (2003) 13 NWLR (Pt. 836) 22. See also *Timi Timi v Amabebe* (1953) 12 WACA 246.

relevant statutes. It is argued that Section 3 of the Trademarks Act creates a right of action in ‘passing-off’ for registered trademarks as well as a right to sue for their infringements that do not amount to ‘passing-off’. However, the section also preserves the common law right of action in ‘passing-off’ for trademarks that have not been registered, since unlike the former, they cannot be protected by an action for their infringement *simpliciter*.<sup>47</sup>

## 6. Recent Developments

The Constitution of the Federal Republic of Nigeria 1999 effectively ended the dispute as to whether it was the Federal High Court or State High Court that has the jurisdiction in unregistered trademarks related or passing-off issues. Thus, section 251(1)(f) of the Constitution stipulates expressly that the Federal High Court shall have jurisdiction, to the exclusion of any other court, in civil causes and matters relating to any federal matters relating to copyright, patent, designs, trademarks and passing off. Additionally, in conferring jurisdiction on State High Courts, section 272 of the Constitution makes it clear that the jurisdiction of the State High Court is subject to the provisions of section 251 of the Constitution, that is, the section dealing with the jurisdiction of the Federal High Court.

In resolving the issue on jurisdiction, the Supreme Court of Nigeria considered two similar cases which will be used to buttress this part of the paper. The cases are *Dyktrade Ltd v Omnia Nig. Ltd.*<sup>48</sup> and *Omnia Nigeria Limited v Dyktrade Limited*.<sup>49</sup>

In *Dyktrade Ltd v Omnia Nig. Ltd.*, the plaintiff/appellant sought an injunction at the Federal High Court to restrain the

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<sup>47</sup> Templars, above note 19, pp. 12-13. Adewopo, above note 22.

<sup>48</sup> (2000) 7 SC (Pt. 1) 56.

<sup>49</sup> (2007) 15 NWLR (Pt. 1058) 576.

defendant from infringing on the trademark of the plaintiff ‘Super Rocket’ applied for and accepted in Nigeria under No. TP 11933/91/5 and from passing-off the goods of the plaintiff. The trial Judge held that the plaintiff was not entitled to sue for infringement of a trademark which had not been registered and a mere acceptance by the Registrar of trademarks of the plaintiff’s application has not amounted to registration. On appeal to the Supreme Court, the court considered the relevant provisions of the law and dismissed the appeal and further held that when a trademark is registered, it will entitle the proprietor to institute an action for infringement of the trademark.

It should be stated that the holding of the Court in this matter was limited to the issue before it which was that a trademark which was not registered but merely accepted cannot be used to enforce a right.

The Supreme Court finally had the opportunity in the case of *Omnia Nigeria Limited v Dyketrade Limited*<sup>50</sup> to determine the issue of jurisdiction of the court in trademark-related matters and to re-examine the provisions of section 3 of the Trade Marks Act, section 7 of the Federal High Court Act and section 251 of the 1999 Constitution. In the operative part of the decision, the Court held, without expressly overruling the decision in *Ayman v Akuma*, that the Federal High Court has jurisdiction to hear and determine trademark cases whether arising from registered or unregistered trademarks. The main issue considered by the Supreme Court was whether the Court of Appeal was right in holding that the Federal High Court has jurisdiction to entertain a claim instituted upon an unregistered trademark. The appellant’s counsel submitted that the Federal High Court had no jurisdiction to entertain a matter based on an unregistered Trademark. The counsel cited the case of *Ayman Enterprises Ltd. v Akuma Ind.*

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*Ibid.*

*Ltd. & Ors.*<sup>51</sup> However, the Supreme Court held that the decision in *Ayman v Akuma*<sup>52</sup> was made with reference to section 230(1) (f) of the 1979 constitution as amended by Decree 107 of 1993 and Section 7 of the Federal High Court Act 1973. The counsel to the respondent however submitted that the Federal High Court Act 1973 had already been amended and therefore no longer valid at the time the decision in *Ayman v Akuma* was reached so the decision was in error and he urged the Supreme Court to depart from the decision in that case. The Supreme Court in this matter departed from the earlier decision but did not expressly overrule the earlier decision.

It is submitted that this decision of the Supreme Court in *Omnia Nigeria Limited v Dyke Trade Limited* is the correct position of the law as it presently stands in Nigeria.<sup>53</sup>

## 7. Conclusion

The Trademarks Act 2004 is a federal enactment that relates to the matters that fall within the purview of section 251(1)(f) of the 1999 Constitution of the Federal Republic of Nigeria. This presupposes that matters relating to intellectual property protection generally, specifically trademarks are exclusively reserved for the Federal High Court. The fact as to whether the cause of action in passing-off arose from a registered or unregistered trade mark, as has been shown above, is, and should be immaterial to conferring jurisdiction. In the final analysis, it has been established beyond doubt in Nigeria that (i) the Federal

<sup>51</sup> (2003) NWLR (Pt. ?) 22. See also *Timi Timi v Amabebe* (1953) 12 WACA 246, *Kam Industries Nigeria Limited v Lof Investments Nig. Ltd. and Ors.* (Unreported) Suit No. FHC/IL/CS/1/2004, delivered on 1/7/2004 by Hon. Justice P. F. Olayiwola.

<sup>52</sup> *Ibid.*

<sup>53</sup> Nigeria Protecting and Enforcing Trademarks and Copyright, [http://www.buildingipvalue.com/06MENA/296\\_299.html](http://www.buildingipvalue.com/06MENA/296_299.html) accessed on 24 February, 2013. Templars, above note 19 at 13. Adewopo, above note 22.

High Court has exclusive jurisdiction in dealing with cases pertaining to the protection or breach of intellectual property rights (IPRs) under the relevant legislation, including trademarks, patents, copyright, designs, etc, and in cases of ‘passing-off’ arising from any of them; and (ii) the Federal High Court also have jurisdiction in cases of passing-off, irrespective of whether same arose from registered or unregistered trademarks.