



THE NIGERIAN JURIDICAL REVIEW



ISSN: 2651-6055

Journal Homepage: <https://www.tnjr.uneclaw.ng>

Comparative Advertising and Trademark Infringement in Nigeria

Nneka Chioma Ezedum

To cite this article: NC Ezedum ‘Comparative Advertising and Trademarks Infringement in Nigeria’ (2023) 18 *The Nigerian Juridical Review*, pp 148 – 161.

Link to this article: <https://doi.org/10.56284/dxzaz903>

COMPARATIVE ADVERTISING AND TRADEMARK INFRINGEMENT IN NIGERIA

Nneka Chioma Ezedum*

Abstract

Comparative advertising is a business strategy and is legalized in some jurisdictions provided it complies with honest business practices and unfair competition laws. However in Nigeria, the Trademarks Act clearly authorises only the trademark owner to the use of his mark, the Act distinguishes between registration in Parts A and B and declares it an infringement of marks registered in Part A to be used in comparative advertising. Considering the role of advertising in economic development and growth of businesses, the right of the consumer to make informed decisions based on availability and access to information, therefore a strict interpretation of the provision of Trademarks Act that relates to comparative advertising will be both restrictive and a hindrance. This article is a critical analysis of the extant laws on comparative advertising and trademark infringement in Nigeria. It reviews the position of the law on comparative advertising under the Nigerian Trademarks Act and questions whether the extant provision of the law is too rigid in that regard. In view of other statutory provisions that access fairness and honest commercial practices, it is recommended that comparative advertising would be better accessed on those standards and not strictly declared an infringement as provided under the Act. It concludes that there is a need to review the Act to permit comparative advertising and allow fair and honest competition practices for the benefit of every party. This will also align the Act to international best practices that has been adopted in other jurisdictions.

Keywords: Trademarks, Comparative Advertising, Consumers Right, Unfair Competition, Fair Commercial Practices, Honest Competition.

1. Introduction

A trademark is a word, phrase, logo, or any other indicator that identifies the source of a particular product.¹ Trademarks indicate where goods come from and advertise the goods or services of the producer on which they are affixed. A reputable mark becomes a significant means of advertisement.² Comparative

* Legal Practitioner and Lecturer, Faculty of Law, Enugu State University of Science & Technology, Agbani, Enugu State.

¹ J Boyle and J Jenkins, *Intellectual Property: Law & The Information Society-Cases & Materials*(5thedn Centre for the Study of the Public Domain, 2021) 99.

² A Omirin, 'The Rising Threat of Trademark Infringement in Nigeria: Ensuring Protection for Everyone' (2017) <<https://www.google.com/amp/s/businessday.ng/amp/news/legal-business/article>> accessed 4 January 2023

advertisement is a new technique in which advertisers make superlative statements about the utility of their products in comparison with another brand's product, to gain commercially.³ It involves either direct or indirect comparisons to distinguish a product's offering while pointing out the shortcomings of another specific product.⁴ Comparative advertising could be subtle or direct, the aim is to show the advantage one product has over another. Comparative advertising therefore entails a direct or indirect reference to the name, attributes or other feature of the goods or services of a competitor in the process of advertising one's own goods or services.⁵

In the bid to showcase ones brand to the public, comparison of different brands arise. What if a particular product is indeed of a higher quality than others, can the trade make owner out rightly state so? Would towing that route amount to unfair practices and unfair competition? Are their comparative advisement practices that could be fair and honest with no intention to discredit the commercial practices of a registered trademark? This article argues that it is prejudicial to consider comparative advertising an infringement as strictly provided under the Act⁶ as this undermines international best practices. Considering there are other statutory enactments that access fairness and honest commercial transactions, it is recommended that comparative advertising would be better assessed on those standards and not strictly declared an infringement as provided under the Trademarks Act.

Apart from section one which is the introduction, this paper contains eight more sections. Sections two, three and four discuss trademarks rights, protection and infringement of trademarks in Nigeria, in that order. Section five defines comparative advertising while the sixth section analyses comparative advertising and the constitutional rights of freedom of speech and expression in Nigeria. Achieving fair comparative advertising is the focus of section seven and in section eight the paper deals with the international standard for comparative advertising and unfair competition. Finally, section nine is the conclusion wherein recommendations were made with respect to the issues raised in the paper.

³ S Gokhale 'An Analysis of the Infringement of a Trademark by Comparative Advertising' (2021) <<https://www.google.com/amp/s/blog.ipleaders.in>> accessed 4 January 2023.

⁴ Infographic 'Comparative Advertising' <<https://infographicworld.com/marketing-glossary/comparative-advertising>> accessed 23 April 2023

⁵ AO Oyewunmi, *Nigerian Law of Intellectual Property* (1st edn, Lagos: University of Lagos Press and Bookshop Ltd, 2015) 267

⁶ Trademarks Act, Cap T13 Laws of the Federation of Nigeria (LFN) 2004, s 5(2)(b),

2. Trademarks: Rights and Uses

The Trademarks Act provides that:

A trademark is a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person having the right either as proprietor or as a registered user to the mark.⁷

Trademark is a mark of identity, just like personal names. It is an identification mark which a brand uses to distinguish its products from another brand. Trademarks aid consumers in identifying good and the source of those goods. Trademarks form the goodwill of a brand because the reputation of that brand is dependent on the identification of the trademark.

To be registerable under the Act, the mark proposed to be used must be distinctive.⁸ The Act further provides that the rights conferred on registration of a trademark are the exclusive right to the use of the trademark in relation to those goods.⁹ The right to use the mark entitles the trademark owner with the right to affix the mark on goods, containers, packages, to introduce the goods to the market and the right to use the mark in advertising. The right to exclusive use gives the trademark owner the right to exclude others from using the mark, hence the right to object to the use of the mark in ways that could confuse or mislead consumers.

The importance of trademarks cannot be over rated or over emphasised. Trademarks enhance visibility and enable consumers maximize time. This visibility means that consumers have information about products faster and reduce the time that would be have been wasted in sourcing or searching for products. Trademarks also help to differentiate products and help consumers realize that similarity in products does not amount to equal quality or productivity.

3. Trademarks Protection

Marks deserve protection so that they may operate as indicators of the trade source from which goods and services come, or are in some other way connected.¹⁰ Trademarks represent the mark of quality or otherwise associated with goods and services. Protecting the trademark ensures that the brand will

⁷ Ibid, s 67(1).

⁸ Trademarks Act, s 9. The Act provides that the following can be registered as trademarks: the name of company, signature, invented words, words unrelated to the product, other distinctive marks.

⁹ Ibid, s 5.

¹⁰ W Cornish and D Llewelyn, *Intellectual Property: Patent, Copyright, Trade Marks and Allied Rights* (5th edn, Sweet and Maxwell 2003) 587.

maintain and possibly improve its standard based on the trust relationship established with respect to its trademark. The registered proprietor can use the R symbol and it adds a great reputation to the goods or service. In simple it gives branded recognition to your products.¹¹

Trademarks serve as origin identification function and consequently shields consumers from the possibility of confusion regarding the origin of goods and services¹². Good brands present quality. . Marks were necessary so that customers who were satisfied with a producer's product could continue to patronize the producer¹³. Trademark protection serves a dual purpose.

First to secure to him who has been instrumental in bringing into market a superior article of merchandise, the fruit of his industry and skill; second to protect the community from imposition, and furnish some guaranty that an article purchased as the manufacture of one who has appropriated to his own use a certain name, symbol or device as a trademark is genuine.¹⁴

Trademarks also serve as as a guarantee of quality to consumers, Consumers can be protected, through trademark, from buying goods of lesser quality than their expectation or experience based on repeated usage or interaction with the trademarked goods and services.

4. Statutory Provision for Trademark Infringement in Nigeria

Registration of trademarks in Nigeria is a prerequisite to instituting legal proceedings for infringement of trademarks¹⁵. The issuance of a certificate is prima facie evidence of a valid registration which entitles the trademark owner with the right to an infringement action.¹⁶ According to the Trademarks Act, infringement of trademark occurs when an unauthorized use of the mark is made in the course of trade or business. The right to the use of trademark shall be deemed to be infringed by one who is unauthorized 'uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered'.¹⁷

¹¹ Arivazhagan LE Intelligensia, '7 Advantages of Trademark Registration' <<https://www.leintelligensiaipr.com/7-advantages-of-trademark-registration>> accessed 6 May 2023

¹² Omirin (n 2).

¹³ M Mckenna, 'The Normative Foundations of Trademark Law' <<https://www.law.berkeley.edu/files/Mckenna2.doc>> accessed 6 May 2023.

¹⁴ Ibid.

¹⁵ Trade Marks Act, s 3. This section provides that 'No person shall be entitled to institute any proceedings to prevent, or to recover damages for infringement of an unregistered trade mark...'

¹⁶ Ibid, s 49.

¹⁷ Ibid, s 5 (2).

It therefore amounts to infringement under the Act to use identical or closely resembling marks on same goods as that of a registered mark which is likely to cause confusion in the market place or deceive consumers. For trademark infringement to occur, the registered mark has to be used on goods in the same course of trade as the registered mark. The infringement could be identical marks or closely resembling marks. In *Virgin Enterprises Ltd v Rich Day Beverages*,¹⁸ the plaintiffs in that case registered ‘virgin’ as aerated waters and non-alcoholic drinks while the defendants sought for registration of ‘VIRGIN TABLE WATER’. Although the two were in different cases, the court held that a non-observant consumer would see the two as same. This means that the proposed mark would likely cause confusion in the mind of an unwary consumer who would think that the registered mark is from the same source as the proposed mark.

Though identical marks are different from similar marks, there is also restriction on the use of confusingly similar mark. When issues of similarity arise, the degree of similarity between the two marks and the perspective of the average customer would be considered in aiding the court to arrive at a decision. The court considers whether a consumer who is faced with a choice between the two marks would likely mistake one for the other.

5. The Concept of Comparative Advertising

Comparative advertising is another form of infringement according to the Act.¹⁹ State the relevant provision of the Act. Thus, the use of a trademark registered in Part A of the register by a rival business in its advertising constitutes trademark infringement under Section 5(2)(b) of the Act, regardless of the content of the advertising.²⁰ Comparative advertising is a marketing technique in which a company either directly or indirectly compares its product against one or more competing products, which aims to show that the company’s product is superior to its competitors in terms of quality, price, or some other important attribute.²¹ With respect to comparative advertising, the Act provides thus:

In a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular or other advertisement issued to the public, as importing a reference to some person having the right either as proprietor or as registered user to use the trademark or to goods with which such a person as aforesaid is connected in the course of trade.²²

¹⁸(2009) LCN/3273 (CA).

¹⁹ Ibid s 5(2)(b).

²⁰ Oyewunmi (n 5) 284.

²¹ ‘Comparative Advertising Definition, Methods and Examples’ <<https://study.com/academy/lesson/comparative-advertising-definition-example-o>> accessed 5 May 2023.

²² Trade Marks Act, s 5 (2) (b).

While considering infringement of trademarks with respect to comparative advertising, there is a need to compare the distinction between infringement of Part A and Part B registration. The Act makes a clear distinction in that regard. The Act deems it to be a form of infringement for a rival company or competitor to use a registered mark in its advertisement or make reference to it in its advertisement. By virtue of this provision, the use of a trademark registered in Part A by another in its advertising constitutes trademark infringement under section 5(2)(b) of the Act, regardless of the context of the advertising²³. With respect to goods registered in Part B, there is no mention of infringement as a result of use in advertisement²⁴. It will be right to conclude that marks registered in Part B may be used for comparative advertising provided the use is not confusing or misleading.

Trademarks and advertising convey useful information to consumers who are capable of making intelligent decisions based on available, if imperfect, product information, as well as on prior experience with the product.²⁵ Advertising is a marketing strategy used by businesses to promote their goods and services. Advertising is used to inform the public or their target audience about a new product or service, draw attention to additional features of a product or service, acquire recognition and goodwill in the marketplace and promote their brand.²⁶ Advertising is any message, the content of which is controlled directly or indirectly by the advertiser, expressed in any language and communicated in any medium with the intent to influence their choice, opinion or behaviour.²⁷

Comparative advertising is a common marketing technique used by companies to compare their product to a competitor's, It emphasis how our company's products and services are better than similar ones available on the market.²⁸ 'Anything his can do, mine can do better!' This adage sums up the essence of comparative advertising.²⁹ It is the practice of promoting one's own product

²³Oyewunmi(n 5) 284.

²⁴Trade Marks Act, s 6(2).

²⁵ K Idris, *Intellectual Property A Power Tool for Economic Growth* (World Intellectual Organisation (WIPO) Publication N 888 ISBN 92-805-1113-0, 153.

²⁶Adarmymmin, 'The importance of Advertising for a Company ' cited in Bisola Scott, 'General Principles and Requirements for Advertising in Nigeria' (2020) <<https://www.mondaq.com/nigeria/advertising-marketing-branding>> accessed 13 January 2023.

²⁷ A Laoye-Balogun, 'Brand Stumping- Legal Positions on Comparative Advertising' <<https://www.linkedin.com/pulse/brand-stumping-legal-positions-comparative-abimbola-laoye-balogun>> accessed 13 January 2023.

²⁸ What is Comparative Advertising? Definition and Example, <https://www.indeed.com/career-advice-development/comparative-advertising> Accessed 5 May 2023.

²⁹ S Suleman, 'Comparative Advertising, Disparagement and Trademark Infringement: An Interface' (2012) 7 (2)

with reference to its rivals and the alleged lack of quality in their goods.³⁰ According to Suleman:

Humans have this tendency of constantly comparing themselves with their peers. In the process of comparing one might be tempted to believe that he/she is as good as the other or he/she is the best or at least better than the rest. In fact there is nothing wrong as such in believing that one is the best for it very human to do so, but it is one thing to say “I am the best” and another to say “I am the best. He is not good”.³¹

It is a known fact that advertisement, whether exaggerated, falsified or factual is a marketing strategy aimed at convincing consumers to focus on the targeted brand, and this works most of the time. The business world is competitive and advertising is used to raise awareness about a business or product, create a relationship, a brand and position a company, product or service against the competition so that it has an advantage. It enables firms to promote the attributes of their products and services and thereby, to compete better with each other³². However advertising that is not regulated would result to competitors not adopting fair practices, being dishonest and in the clamour to overtake each other would adopt unscrupulous standards. Therefore, regulation is important as it ensures businesses maintain good advertising standards which are also of great advantage to consumers. It also fosters fairness and responsibility towards competitors and avoids harm to society. Understanding and adhering to these regulations is essential for businesses to operate ethically and legally. As recognised in some jurisdictions, if a registered trademark is used in comparative advertising, it will continue to be an infringement if the use is not ‘in accordance with honest practices in industrial or commercial matters’ and also takes unfair advantage of or is detrimental to the reputation of the mark³³

The next step is comparing one brand against another by highlighting the advantages the brand in focus has over others or suggesting that the brand is superior or is of higher quality than another. When it refers to the product by name, it is known as comparative brand advertisement, though it may not contain identical trademark but just an overt reference is enough.³⁴ Comparative advertising identifies the competitor for the purpose of claiming superiority

VJLA18<https://papers.ssrn.com/sol3/papers.cfm?abstract_id> accessed 13 January 2023.

³⁰ P Torremans and J Holyoak, *Intellectual Property Law* (2nd edn London, Butterworths 1998) 382.

³¹Suleman (n 29)

³² Mary Azcuenage, ‘The Role of Advertising and Advertising Regulation in the Free Market’ <https://www.ftc.gov/news-events/news/speeches/role-advertising-advertising-regulation-free-market> Accessed 9 May 2023

³³ Torremans and Holyoak (n 30) 383.

³⁴ P Gangwar, ‘Comparative Advertising and Infringement of Trademark’ (2013) <<https://papers.ssrn.com/sol3/papers.cfm?abstract>> accessed 7 January 2023

enhancing perceptions of the sponsoring and usually lesser-known brand.³⁵ The comparison could also be done by a perceived lower brand aiming to be rated equally with a higher brand in the market place.

In direct comparative advertisements, commercials will specify a competing brand by name and allege that brand or product being promoted is in some way superior.³⁶ For instance, commercials alleging that Pepsi is of better quality than Coke or that Toyota cars run faster and are more fuel efficient than Mercedes cars. However, when it is indirect it makes a subtle but general comparison without naming the competing brand but insinuates that one brand is superior to other products in the same field, example a Dove (cream) advert stating that Dove treats your skin with care while others are harsh to your skin. Comparative advertising could also be viewed from the perspective of an attack on a particular brand, where by the qualities of the competing brand is highlighted and shown as being detrimental, unhealthy or dangerous depending on the competing product.

Comparative advertising is a persuasive advertising strategy meant to communicate verbally and visually the competitive advantage of superior brands in the marketplace.³⁷ When the aim is to inform the public objectively and truthfully of brands, it creates transparency and aids consumers in making rational and objective choices. However when its purpose is to high light the statement ‘Mine is best, his is no good’ then that would amount to discrediting or tarnishing a brand’s goodwill.³⁸

Another angle to view comparative advertisement is when new products being launched in the market place compare their products with that of known products. The new products do this in a bid to gain relevance by taking advantage of the goodwill and reputation of already existing brands.

Advantages of comparative advertising include that it has the tendency of pushing brands to improve their products to enable them stay ahead of competitors. While the disadvantage is that consumers may be duped by unscrupulous advertisers who either fail to present fair and truthful comparisons or overload customers with false information³⁹

³⁵ K Williams and R Page, Jr, ‘Comparative Advertising as a Competitive Tool’ (2013) 7(4) *Journal of Marketing Development and Competitiveness*, 47-62.

³⁶ Forest Time, ‘Comparative and Competitive Advertising’ <<https://smallbusiness.chron.com/comparative-competitive-advertising-37539.htm>> accessed 5 May 2023.

³⁷ MT More, ‘Campaigns Enter Phase 1 of Ad War’ *US Today* (27 October 1999), 16A cited in Williams and Page (n 35).

³⁸ Suleman (n 29)

³⁹ Laoye-Balogun (n 27).

6. Comparative Advertising and Constitutional Rights

There are rights to be considered in analysing the provision of the Trademarks Act with respect to comparative advertising. The first is the right of the trademark owner. This was put in perspective by some legislation in Nigeria. The Nigerian Code of Advertising Practice, Sales Promotion and Other Rights/Restrictions on Practice (The Advertising Code) 2012 provides that all advertisements in Nigeria or directed at the Nigerian Market shall be legal, decent, honest, truthful, respectful, and mindful of Nigeria's culture, constitutional tenets and relevant lawful enactments.⁴⁰ The Advertising Code further provides that the content of an advertisement including, statements and pictures used must not breach any Nigeria copyright or international copyright laws or intellectual property rights.⁴¹ This means that the consent of a property right owner ought to be sought before that work is used in an advert. This is aimed at protecting the right of a trademark owner and to protect a mark from infringement. However with respect to comparative advertising Article 20 of The Advertising Code states thus:

- (a) Advertisements for products and services shall not unfairly discredit, disparage, or attack other products, services, advertisements or companies, or exaggerate the nature or importance of comparative differences.
- (b) Advertisements for products and services shall not imitate the slogans or illustrations of another advertiser in such a manner as to mislead the consumers.

It can be inferred from this provision that the Advertising Code is not strict on comparative advertising provided the advertisement does not unfairly discredit, disparage, attack a competitor or mislead consumers.

Also, the 1999 constitution guarantees the right of every Nigerian to freedom of speech and expression. Section 39(1) provides that every person shall be entitled to freedom of expression, including 'the freedom to hold opinions and to receive and impart ideas and information without interference' There are however limitations to these rights as they are not absolute. There could arise libel, slander and even infringement of trademark when a registered mark is used in an offensive way in advertising a competitor's brand. A false comment about a product that harms its producer is known as product disparagement, also known as commercial defamation, trade libel or slander of products.⁴²

⁴⁰ The Nigerian Code of Advertising Practice, Sales Promotion and Other Rights/Restrictions on Practice (The Advertising Code) Para 0.6, Preamble to the Code, B1730 5th edn, SI No 64, 1725-1775 (2012).

⁴¹ Advertising Code, art 10.

⁴² Tanvi Trivedi, 'Law of Comparative Advertising under Trademark Law: Is Everything Fair inn AD and WAR?' (2022) 7(10) *International Journal of Novel*

Libel refers to a written or oral defamatory statement or representation that conveys an unjustly unfavourable impression whereas slander refers to a false spoken statement that is made to cause people to have a bad opinion of someone,⁴³ are both limitations to the right to freedom of speech and expression. Libel and Slander are simply two different types of defamation; defamation is the overarching tort, libel and slander are just two different ways of committing that tort.⁴⁴ Equally, the right to freedom of speech and expression do not encourage a third party/ competitor using a registered trademark in ways that would amount to an infringement of one's right. There are limitations to this freedom as the constitution states that this freedom is restricted where there is speech that incites violence, or hate, defames another person or slanderous statements.⁴⁵ The right to freedom of speech and expression end where the rights of others begin. 'Your right to swing your fist ends where my nose begins', In other words, people are free to act as they wish as long as their actions do not cause harm to others.⁴⁶

7. Achieving Fair Comparative Advertising

The most important job of advertising is to get attention which is nothing but awareness creation. Advertising needs to capture the attention of people and make them aware of the products or their features in the market.⁴⁷ Putting into consideration the advantages and gain in comparative advertising, how can comparative advertising be utilized so that it does not amount to infringement of trademarks. Though the Trademarks Act states that it is an infringement to use a registered mark in comparative advertising⁴⁸ but it can be argued that are there ways that comparative advertising could be done such that it would not result to Trademarks infringement?

When the facts stated in the comparative advertisement are true, verifiable and not intended to mislead the public it should not be termed as an infringement of a trademark. The advert should be fair and not discredit the competitors' products. The advert can compare one or more material, relevant, verifiable and representative features of those goods and services, which may include price;

Research and Development (IJNRD)
 <<http://www.ijnrd.org/papers/ijnrd2210037.pdf>> accessed 23 June 2023.

⁴³ The Difference between 'Slander' and 'Libel' <<https://www.merriam-webster.com>> accessed 10 May 2023.

⁴⁴ Defamation, Libel, Slander and Defences Lecture <<https://www.lawteacher.net/lectures/tort-law/defamation/>> accessed 10 May 2023.

⁴⁵ Susan Oyeniyi-Isreal, 'Freedom of Speech: What it means vs How we Misuse it' <<https://insight.ng/freedom-of-speech-nigeria/>> accessed 10 May 2023.

⁴⁶ Harm Principle-Ethics Unwrapped <<https://ethicsunwrapped.utexas.edu>> accessed 10 May 2023.

⁴⁷ Hitesh Bhasin, '11 Objectives of Advertising - What are Advertising Objectives?' <<https://www.marketing91.com/objectives-of-advertising>> accessed 5 May 2023

⁴⁸ As captured under Sec 5(2) of the Trademarks Act.

but should not discredit or denigrate the competitor or its trade mark.⁴⁹ It could be fair to say that one's brand is the best in that field but to state that a competitor's product is bad would be unjust, could result to slander and unfair disparagement. The question whether registered marks can be used in comparative advertising in any way to avoid an infringement suit, could then be answered in the positive. It will continue to be an infringement if the use is not 'in accordance with honest practices in industrial or commercial matters' and also takes unfair advantage of or is detrimental to the reputation of the mark.⁵⁰ This is a pointer to the fact that comparative advertising ought to be fair, in accordance with honest business practices and not be detrimental to a competitor's mark. In the case of *Siemens AV v VIPA Gesellschaft für Visuellisierung und ProzaBautomatisierungmbH*,⁵¹ the court held that VIPA did take unfair advantage of Siemens' reputation when it held that the purpose of comparative advertising is also to stimulate competition between suppliers of goods and services to the consumers' advantage. VIPA used numbers that were almost identical to Siemens' and in their catalogue, VIPA added this 'please check the order number of the memory modules you require the handbook for your module or call us. The order numbers correspond to those of Siemens' programmable modules' in that case the court also stated that 'an advertiser cannot be regarded as taking unfair advantage of the reputation of the distinguishing marks of his competitor if effective competition on the relevant market is conditional upon a reference to those marks'.

8. International Standard for Comparative Advertising and Unfair Competition

In India, although comparative advertising is not defined in any India legislation, the Indian Trademarks Act of 1999 states that unauthorized use of a mark constitutes infringement and creates exceptions therein. Section 29(8) of the Act provides that it amounts to infringement for an advertiser to use the competitor's trademark to make comparison, however section 30(1) of the Act creates an exception to trademark infringement with respect to comparative advertising. The Act states that using another trader's trademark is not an infringement when it is in accordance with honest practices and is neither taking unfair advantage of a compared trademark nor it is detrimental to the distinctive character or reputation of the compared mark⁵². In *Colgate Palmolive Company and Anor v Hindustan Unilever Ltd*,⁵³ the defendants showed the defendants product to be superior to the plaintiff's Colgate Strong Teeth on the basis of

⁴⁹ Oliver Fairhurst 'Comparative Advertising: What it is and How to Manage Risk' <<https://www.lewissilkin.com/en/insights/comparative-advertising-what-it-is-and-how-to-manage-risk>> accessed 5 May 2023.

⁵⁰ *Torremans and Holyoak* (n 30) 383.

⁵¹ Case C-59/05 European Courts Reports 2006, 1-02147.

⁵² *Gokhale* (n 3).

⁵³ 2014 (57) PTC 47 (DEL)

scientific study. The court held the advert to be misleading and inaccurate and the defendant was restrained from publishing the advertisement. In the European Union (EU), the Misleading and Comparative Advertising Directive⁵⁴ includes the definition of comparative advertising in article 2 to be ‘advertising which explicitly or by implication identifies a competitor or goods or services offered by a competitor’. Under it, both direct and implicit comparisons are permitted in advertising only if:

- i. It is for goods and services meeting the same needs or purposes
- ii. It objectively compares one or more material, relevant, verifiable and representative features, which may include price
- iii. It is not misleading, confusing as to source, discrediting or denigrating and
- iv. It does not take unfair advantage of the reputation of a mark, name or designation of origin.

The Directive includes within its ambit, comparative advertising and states that any advertising which either explicitly or impliedly referred to another’s product must abide by some rules. The rules as outlined above states that the advert must not be misleading, the advert should not create confusion, should not take unfair advantage of the competitor’s trademark and should not present its goods or services as replicas of the other product and it does not discredit or degenerate it. The primary objective is to permit honest comparative advertising, there being nothing inherently wrong with informing the public of the relative merits of goods or services by reference to registered marks.⁵⁵

The legislation in countries like United States of America broadly support comparative advertising and considers that truthful comparisons are valid consumer information and beneficial to competition.⁵⁶ In the United States of America, the Federal Trade Commission (FTC) permits disparaging advertising as long as they are truthful and not deceptive. Thus advertisements that attack, discredit or otherwise criticize another product are permissible if they are truthful and not expressly or impliedly deceptive.⁵⁷

The above analyses show that India, United States and the European Union have acknowledged the importance of comparative advertising. The laws of these countries aim to protect the consumer from getting confused by deceptively similar products and also protect the competitor by preventing his product from

⁵⁴ Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006, which amended Directive 97/55/EC which had amended Directive 84/450/EC concerning Misleading Advertisement.

⁵⁵ Cornish and Llewelyn (n 10) 717.

⁵⁶ WIPO IP and Business: IP in Advertising <https://www.wipo.int/wipo_magazine/en/2005/02/article_0005.html> accessed 19 January 2023.

⁵⁷ AR Patil and AA Patil ‘International Legal Framework on Comparative Advertising in European Union, United States and India - A Contemplative Comparative Study’ <<https://clap.nis.ac.in/wp-content/uploads/2021/02/>> accessed 19 January 2023.

getting adversely affected by disparaging comparative advertising.⁵⁸ The onus is on the party who contends that his mark has been used for comparison to show that the advertisement was not done in accordance with honest commercial practices.

On the other hand, unfair competition is simply dishonest practices. It is 'any act of competition contrary to honest practices in industrial or commercial matter'.⁵⁹ Article 10bis (3)⁶⁰ outlines the following acts that are prohibited:

1. All acts of such nature as to create confusion, by any means, with the establishment, the goods, or the industrial or commercial activities, of a competitor;
2. False allegation in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities of a competitor; and
3. Indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose or the quantity of the goods.

Unfair competition laws apply fair rules by ensuring that all parties abide by honest commercial practices, ensures transparency and correctness in advertisement and protects consumers from fraud. The following have been recognized generally as acts of unfair competition: causing confusion, misleading, discrediting competitors, disclosure of secret information, freeriding, comparative advertising. Unfair competition with respect to comparative advertising does not allow advertising that generates confusion or denigration.

9. Conclusion

In comparative advertising, the main argument in favour of this practice is that in an open market, consumers should have all the available information and that comparative advertising facilitates this.⁶¹ Therefore creating an avenue for comparative advertising and protection from unfair practices is possible in Nigeria. As can be seen in this study, it works in other jurisdictions and can be accommodated in the Nigerian judicial system.

The argument against it is that the advertiser will be selective in the way in which the products or services are compared in order to portray his own goods and/or services in the best possible light,⁶² and in the process infringe the rights

⁵⁸ Ibid.

⁵⁹ Article 10bis(2) of the Paris Convention.

⁶⁰ Ibid.

⁶¹ T Hart, L Fazzani and S Clark, *Intellectual Property Law* (4th edn, Palgrave Macmillian Law Masters 2006) 128.

⁶² Ibid.

of a registered owner. This can be limited by applying the rules or guidelines established as applicable in other jurisdictions. This ensures that though comparative advertising is permitted but usage will be in strict compliance with honest commercial practices. If a mark is used to identify a brand as belonging to the owner of the mark, then should it amount to infringement to use a competitor's mark to emphasize the difference between the two products or services? The emphasis is that comparative advertising should be in accordance with honest practices in industrial or commercial matters and should not be unfair or destroy the reputation of the mark. Therefore, as long as the use of the mark is honest, there is nothing wrong in telling the public of the relative merits of competing services and using trademarks to identify these competing services.⁶³

There are several ways to ensure that the system is beneficial to all the parties. With respect to a brand owner, registration of the brand's trademark gives the brand owner the requisite right to sue for infringement. The trademark owner should ensure consistency in its trademark usage. The trademark should be used in its proper format and this helps the consumers to easily recall the trademark such that even when there is comparison the mark will not lose its distinctiveness or uniqueness.

It is therefore recommended that the Nigerian Trademarks Act should be amended to allow comparative advertising that complies with the rules of honest trade and fair commercial practices.

⁶³ Torremans and Holyoak (n 30) 383.