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*Trade Name Protection in Ethiopia and Determination of
Misleading Similarity*

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Declaration

I, Hassen Tadesse, do hereby declare that the thesis “Trade Names Protection in Ethiopia and Determination of Misleading Similarity” is my original work and that it hasn’t been submitted for any degree or examination in any other university. Where other's work has been used, this has been appropriately acknowledged.


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Trade Name Protection in Ethiopia and Determination of Misleading Similarity

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Abstract

Establishing a robust reputation, cultivating goodwill, and fostering trust among customers are paramount for businesses, necessitating a singular and identifiable business identity. This study looks into the critical role of trade names as identifiers and their significance in accruing reputation and trust. Despite their centrality, there exists a persistent confusion between trade names and business names within commercial registration and licensing laws in Ethiopia. This research addresses the lacuna in the Commercial Registration and Licensing Proclamation (CRLP), where the distinction between trade names and business names remains elusive. While international and Ethiopian laws recognize trade names as property rights, the CRLP lacks clarity on the specific property rights embedded in trade names, leaving a potential gap in legal protection. Furthermore, the study explores the propensity of trade names to cause confusion, emphasizing the subjective nature of determining confusion based on factual evidence or individual opinions. Despite legal protection, the Ethiopian trade name regime lacks a clear rule against confusion, particularly concerning trade name infringement. Given that the primary purpose of legal recognition is to provide remedies for infringements, this research advocates for a comprehensive delineation of rights and the incorporation of effective enforcement provisions within the legal framework. By addressing these gaps, the study aims to contribute to a more coherent and protective legal environment for businesses, fostering a conducive atmosphere for the growth of reputation, goodwill, and trust.

Key words: Business name, Trade name, Trademark, Goodwill, Exclusive right, Infringement action, unfair competition action.

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Abbreviations used

CRLP Commercial Registration and Licensing Proclamation

CRLPLID Commercial Registration Licensing Post Licensing Inspection Directive

CRLR Commercial Registration and Licensing Regulation

EIPO Ethiopian Intellectual Property Office

FSCCD Federal Supreme Court Cassation Division

FTCCPT Federal Trade Competition and Consumer Protection Tribunal

FTCCPAT Federal Trade Competition and Consumer Protection Appellate Tribunal

HPR House of Peoples Representative

IP Intellectual Property

IPRs Intellectual Property Rights

MoTRI Ministry of Trade Regional Integration

OSCOLA Oxford University Standard for Citation of Legal Authorities

TCCPA Trade Competition and Consumer Protection Authority

TCCPP Trade Competition Consumer Protection Proclamation

TMRPP Trade Mark Registration and Protection Proclamation

TRIPs Trade Related Aspects of Intellectual Property Rights

WB World Bank

WIPO World Intellectual Property Office

1. Introduction

To make sound decisions, it is important to have a clear and easily understandable trade name regime. The proper selection, use, and protection of trade names begin with understanding the nature and the extent of the rights granted. Trade names internationally, for example, are recognized as intellectual property (IP) under the WIPO convention.¹ In Ethiopia, the EIPO establishment proclamation lists patent, trademark, registration certificate, and copyright as part of IPRs², but doesn't include trade names in its illustration. It is crucial to provide clear and qualified information on the status of trade names, whether they are IPRs or not. The CRLP makes registration of a trade names in the place where register for commercial register a duty for business persons and describe the effect of registration as evidence to prove entitlement.³ But no clear statement about the rights acquired through trade names.

Protection on trade names should be aimed at avoiding conflicts due to confusions.⁴ Confusion occurs in trade names when the public cannot distinguish one enterprise from the other enterprise. Confusion result due to identity or confusingly similarity of names. In Ethiopia trade names refused from registration where the trade name requested for registration is identical or misleadingly similar to previously registered trade names or names of businesses in the same or related fields.⁵ Though there isn't a difficulty in determining identity, determination of misleadingly similarity is a difficult task. The CRLP providing misleadingly similarity as a test, it isn't clear as to the extent of confusion to which buyers will be confused by the second name and the factors used in the comparison.

The main purpose of IPRs laws is to give legal remedies for infringements of rights. There is no point in enacting laws unless rights can be appropriately enforced in response to infringements. The CRLP offers provisions related to; enter alia, the registration, prevention for registration, cancellation, alteration, and substitution of certificates for trade names. However, it lacks clarity on the enforcement of rights and the remedies available for infringements. In order to understand

¹ 'Convention establishing the WIPO (1967)' art 2(viii).

² 'EIPO Establishment Proclamation No 320/2003' art 2(1).

³ 'Commercial Registrations and Licensing Proclamation No. 980/2016' [hereinafter CRLP], art 15(1), 17(1).

⁴ Tatiana Sokolova, 'Examination of Trademarks, Company Names and Trade Names as a Means of Individualization in Russia: Theoretical and Methodological Approach to the Problem' (2012)276.

⁵ CRLP, art 16(1(a)).

and identify those issues, this article examines the adequacy of the Ethiopian trade name regime in delineating the subject matter protected; rights conferred, and in offering effective remedies for infringement in three sections followed by conclusion.

2. Understanding Trade Names

2.1. Definition of Trade Names

The protection of trade names is recognized by national laws using different terminologies. National laws use different terminologies in recognizing protections for trade names. Commercial names, assumed names, fictitious names, doing business as names and business identifiers are terminologies used to denote trade names in different jurisdictions.⁶The Black's Law Dictionary defines trade name as 'a name, a style or a symbol used to distinguish a company, a partnership or a business (as opposed to a product or service); the name under which a business operates; a means of identifying a business to establish goodwill; and a name symbolize the business reputation'.⁷ Moreover, the BIRPI model law defines trade name as 'the name or designation identifying the business of a natural or legal person'.⁸ Identifying the seller is an important consideration and has been recognized by societies throughout history.⁹ From these definitions, it is simple to note that trade name serves as a concise means used to identify a specific seller in the marketplace from others. While words, actual names, and arbitrary or fanciful designations are typically protected by law when they are meant to serve as business identifiers, the protection for the use of signs for trade name varies widely across jurisdictions.¹⁰ The trade name can be a single word, a combination of words, a sequence of letters or numbers, a personal or family name, or an assumed name designed to distinguish one business from others. It may also be named after some attributes like a specific location, the name of an object, or arbitrary and fanciful words.¹¹ In Ethiopia the CRLP

⁶ Juan Carlos Durand Grahammer, *Trademarks, Trade Names and Company Names: Addressing the Issue of Overlapping and Conflicting Rights* (2009)5 Convergence55.

⁷ Bryan A Garner (ed), *Black's Law Dictionary* (8th edn, 2004)4662.

⁸ *Model Law for Developing Countries on Marks, Trade Names, and Acts of Unfair Competition* (United International Bureaux for the Protection of IP 1967) [hereinafter BIRPI model law], Section 1 (1(d).

⁹ John Cross, *Language and the Law: The Special Role of Trademarks, Trade names and Other Trade Emblems* (1997)76 Nebraska LR100.

¹⁰ Juan Carlos Durand Grahammer, (n6)56.

¹¹ Milton Handler and Charles Pickett, *Trademarks and Trade Names an Analysis and Synthesis*, (1930)30 Columbia Law Review199.

define trade name as ‘a name that a given business person uses for his business or known by the society as such’.¹² From this definition, one can understand that the sole defining element is the function that a trade name is supposed to provide. The definition isn’t clear as to what signs or words making up trade names.

2.2. Distinguishing Trade Names from Business Names and Trademarks

For a business person, the proper selection, use, and protection of trade names begin with understanding its meaning and difference from business name and trademark which are protected by relevant laws. A business person may be an individual, a firm, or a corporation engaged in manufacturing of goods or rendering of services; or involved in mercantile, wholesale, or retail trade.¹³ For instance, a business name is a legal name of an individual trader, or a commercial entities, be it a corporate, a partnership or a company.¹⁴ It enables one merchant to be distinguished from another merchant as a legally constituted body or as a trader. Its registration is primarily to serve broader public policy objectives and it is to ensure that business activities are conducted in accordance with set legal frameworks.¹⁵ A business name therefore, doesn’t necessarily have a marketing function.

The other concept that must be distinguished from a trade name is a trademark. A trademark is any sign or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings.¹⁶ While trade names and business names relate to businesses, trademarks relates to products or services. But trade names and trademarks used when communicating with clients. Both trade names and trademarks used in advertising and marketing. Since a trade name is the name the business runs its trading activities and identifies itself, such a function requires a certain degree of marketing by the name noticeably to the public. The trade name must be actively used to assist the general public, particularly clients and potential customers, in distinguishing the business from other businesses. It may be displayed on the store

¹² CRLP, art 2(10).

¹³ Francis Treadway, *'Personal Trade-Names'* (1896)6 Yale LJ141.

¹⁴ Paul George Buta, *'Trade Name, Firm Name and Rasion Sociale- Are They Still All the Same'* (2013) Rom J Intell Prop L175.

¹⁵ Liliana De Sa, *'Business Registration Start up - A Concept Note'* IFC and the WB (2005)3.

¹⁶ *'Trade Related Aspects of Intellectual Property Rights (1994)'* [hereinafter TRIPs agreement], art.15.1.

fascia, billboards, or written on invoices and payment receipts.¹⁷ A trade name used by the commercial entity to distinguish itself from other business entities fulfill, in many circumstances, the same function as trademarks.¹⁸ "In the second WIPO process of 2001, which explored how trade names were protected in different countries, it was widely recognized by many commentators that trade name serves the same advertising functions as trademark does."¹⁹ But, while the primary function of a trade name is to identify a business and to symbolize the reputation of the business as a whole, the primary function of a trademark is to identify the goods or services of a business.²⁰ In other words, while a business is commonly known in the market through its trade names, its goods and services are commonly known through trademarks. Trade names create an identity for a business, while trademarks create an identity for goods or services. In other words, a trade name is meant to distinguish the business in its entirety on the basis of its character and reputation, in contrast to the purpose identifying and protecting the rights associated with the specific trademark of the goods or services.²¹

In Ethiopia, one of the reasons to repeal CRLP 686/2010 and replace with CRLP 980/2016, and to add amendment clause to it was aimed at distinguishing trade name from business name and providing a separate description of the two legal issues.²² The CRLP define a business name using the phrase 'name of business as 'the name the business organization uses for commercial registration and is recognized as a legal person by the registering office or third party'.²³ From this definition, it seems that the term business name is meant to use by only for business organizations. However, a business person defined under the CRLP as any person who professionally and for gain engages in any of the activities specified in the commercial code and the Ethiopian business licensing categories.²⁴ The discussions on registrations of business names of sole proprietors and

¹⁷ Gail Evans, 'Recent Developments in the Protection of Trademarks and Trade Names in the EU from Conflict to Coexistence' (2007)97 Official Journal of Trademark Association1044.

¹⁸ Stefan Kuiper, 'The Relationship between Domain Names and Trademarks/Trade Names' (Master Thesis, Lund University 2015)18.

¹⁹ 'The Recognition of Rights and the Use of Names in the Internet Domain Name System' Report of the Second WIPO Internet Domain Name Process (2001)106. <https://www.wipo.int/export/sites/www/amc/en/docs/report-rfc3.pdf> accessed on October 2020.

²⁰ Juan Carlos Durand Grahammer, (n6)56.

²¹ The Recognition of Rights, (n19)98.

²² Legal and Justice Affairs Committee, CRLP (HPR 2008 -5, 980-2), (HPR 2011-5, 1150-5) (Translation Mine).

²³ CRLP, art 2(11).

²⁴ CRLP, art 2(2) as amended.

business organizations under the CRLPLID shows, however, that business name can be for both sole proprietor and business organizations. The CRLPLID explains that the registration of a business name for sole proprietor must fulfill the requirements are outlined in articles 14(1) of the CRLP. And for business organizations, the specific requirements specified in article 14(2, 3, 4, 5) of the CRLP, taking into account the changes to types of business organizations in the new commercial code.²⁵This is based on the fact that physical persons are recognized as traders with their names, and legal persons are recognized as business persons by their legal names; and both of these names are considered as business names. In the minute of HPR Legal and Justice Affairs Committee discussion, it is also stated that one of the functions of commercial register is to differentiate traders from non-traders.²⁶ Therefore, in Ethiopia, a business name is a name accorded during the acquisition of legal personality for business organizations, and it is a name used in commercial registration for natural persons. From the definitions given for business name and trade name one can understand that, while a name that a business person registers during commercial registration and through which it get recognition as business person is its business name, whereas the name that these business persons conduct their operation or they prefer to be their identifiers is their trade names. But, still whether a difference exists between a trade name and business name in terms of signs making up and the rights acquired through registration isn't clear and not separately described.

In Ethiopia, trademarks, trade names, and business names are regulated and administered through separate laws and institutions. While trademarks are regulated through TMRPP and administered by EIPO, trade names and business names are regulated through CRLP and administered by MoTRI. The TMRPP defines trademark describing the signs used and its function. Trademark means 'any visible sign capable of distinguishing goods or services of one person from those of others and includes words, designs, letters, numbers, colors or the shapes of goods and their packaging and the combinations thereof'.²⁷To constitute a trademark a mark needs to meet requirements of being a sign, capable of being represented graphically and being able to distinguish the goods or services of one undertaking from other undertakings. In Ethiopia while trade names

²⁵ 'Commercial Registration, Licensing and Post Licensing Inspection Directive No. 935/2022' [hereinafter CRLPLID], arts 4(2), 5(2, 6, 7, 8).

²⁶ Legal and Justice Affairs Committee, (n22) (Translation Mine).

²⁷ 'Trademark Registration and Protection Proclamation No. 501/2006' [hereinafter TMRPP], arts 2(12).

are used in distinguishing businesses, trademarks are used in distinguishing goods or services. A trade name can be registered as a trademark if it fulfills the requirements under the TMRPP, and a trademark may also be registered as a trade name if fulfills the requirements under the CRLP. Since protection through established use is recognized in the TMRPP,²⁸ a trade name used in distinguishing goods or services can acquire the trademark protection.

2.3. Registration of Trade Names

Countries protect trade name rights for businesses through either by registration or use.²⁹ Trade name laws vary, ranging from no registration to optional registration, in some cases, to compulsory registration.³⁰ Through registration of trade names, if a state makes filing a mandatory requirement, it may intervene by imposing statutory requirements as to the words making up the trade name and specifying standards to prevent confusion.³¹ On the other hand, the Paris convention under article 8, states that trade names shall be protected without the obligation of filing or registration. Nowadays, countries provide both registration and establishment through use as methods of acquiring trade name rights. In Sweden, for example, the exclusive rights for a trade name acquired both through registration and establishment in the market.³²

In Ethiopia, it is a duty for any person intending to engage in trade to get commercially registration.³³ Additionally, any business person desiring to engage in commercial activities is required to register a trade name in the place where it is registered for commercial registration and in the place where it obtains a business license.³⁴ Trade name registration in Ethiopia is therefore a duty upon any business person while carrying out commercial registration. Even conducting a business with unregistered trade name may be considered a violation of the provisions of CRLP which may entail criminal liability.³⁵ In the discussion minute of HPR Legal and Justice Affairs Committee, it is stated that while once a business person chooses a trade name, registration

²⁸ TMRPP, art 7(2).

²⁹ John Cross, (n9)131.

³⁰ The Recognition of Rights, (n19)100-104.

³¹ De Becker JE, *'Commentary on the Commercial Code of Japan'* (1913)57.

³² *'Sweden Trade Name Act SFS 2018: 1653'* [hereinafter Sweden Trade Name Act], Chapter 1 art 2.

³³ CRLP, art 5(1).

³⁴ CRLP, art 15(1, 2).

³⁵ CRLP, art 49(8).

becomes mandatory.³⁶ However, an investigation of provisions other than the CRLP may warrants, to argue that not only registering, but also using a trade name is mandatory in Ethiopia. Legally, it is a duty on business persons in conducting their trading activities to observe the duties and responsibilities provided under legislations.³⁷ The TCCPP impose on business persons a duty to affix labels of the name of manufacturer, packer and importer on goods sold³⁸ and a duty to display trade names at an overt place.³⁹ Those provisions make use of trade names mandatory. Trade names may coincide with business names, but still registration as a trade name is mandatory.⁴⁰

Trade name unregistered in Ethiopia, but renowned in Ethiopia or around the world is among the cause that prevents later trade name registration under the CRLP.⁴¹ In addition when a trade name filed has been in use for long period of time, the CRLR requires the application for issuance of a certificate of the trade name to be attached with letter of confirmation from the local administration.⁴² Having such provisions one may argue that the CRLP recognize protected use rights beyond registration for trade names renowned nationally and internationally. However, the explanatory note in the CRLPLID underscores that in Ethiopia; only those renowned names which are in use in other countries can be acknowledged without the need for use requirement or registration in Ethiopia. Consequently, this has the implication that unregistered national trade names, no matter how widely known, are entirely disregarded of protection, and it leads to the conclusion that CRLP doesn't extend recognition and protection for usage of renowned national trade names unless of the registered.

2.3.1. Grounds for Registration of Trade Names

Countries impose set of requirements to give protection for trade names which, inter alia, includes, relates to avoiding possible confusion with prior rights, both acquired and inherent distinctiveness, compliance with accepted customs and public morality, restriction on the use of undesirable terms, and limitation on the use of foreign languages.⁴³ Such requirements may be

³⁶ Legal and Justice Affairs Committee, *CRLP* (HPR 2002 -3,686-2) (Translation Mine).

³⁷ CRLP, art 26(11).

³⁸ *Trade Competition and Consumer Protection Proclamation No 813/2016* [hereinafter TCCPP], arts 16(1) (2)(i).

³⁹ TCCPP, art 18(1).

⁴⁰ TCCPP, art 15(3).

⁴¹ CRLP, art 16 (1)(d) (as amended).

⁴² *Commercial Registration and Licensing Regulation No 392/2016* [hereinafter CRLR], art 5(5).

⁴³ The Recognition of Rights, (n19)44.

categorized, in general, as relative or absolute grounds. While the relative grounds of registration are meant to protect third parties, the absolute grounds of registration are exclusions. In relation to this, the CRLP imposes statutory requirements of conditions and exclusions for registration. Checking whether the name applied for registration is identical or misleadingly similar to previously registered trade names, protecting against public confusion, and checking trade names align with commendable conduct or ethical values are the objectives of trade name registration provisions under the CRLP.⁴⁴

2.3.1.1. Relative Grounds for Refusal of Registration

Identity or misleading similarity of the trade name to previously registered trade names or names of businesses in the same or related field of business, and identity to trade names renowned in Ethiopia or around the world unless written permission to use without a need for registration in Ethiopia,⁴⁵ are the statutory requirements that may be taken as relative grounds to prevent trade names registration. Registration has an advantage to check whether the name applied for registration is identical or misleadingly similar to previously registered trade names. Before the registration of the trade name, the registering office is required to ascertain that the trade name neither identical nor misleadingly similar to previously registered trade names in the same or related field of business. In determining the identity or confusingly similar nature of trade names, as discussed in detail in the fourth chapter, the registering expert assesses the trade names on case by case bases. Among other things, the registering experts are bound to consider certain factors, like the resemblance of the trade names, pronunciation, closeness of the meaning of words and the connection to the kind of the business represented by the trade names under consideration.⁴⁶

2.3.1.2. Absolute Grounds for Refusal of Registration

A trade name, though not previously registered, may give wrong information and may mislead other business persons and the public. The statutory requirements preventing trade names registration in Ethiopia include, identity or misleading similarity to the name of the government institution, religious institution, political party, nation, nationality, peoples, tribes and clans, names

⁴⁴ CRLPLID Explanation Note (Translation Mine).

⁴⁵ CRLP, art 16(1(a, d).

⁴⁶ CRLPLID Explanation Note (Translation Mine).

of any other business organization or association, organizations of nations or states, charities and societies.⁴⁷ Moreover, a trade name should include the sector of the business; and must align to commendable conducts or ethical values.⁴⁸ If a trade name is identical or misleadingly similar to the name of the government institution, religious institution, political party, nation, nationality, peoples, tribes and clans, any other business organization or association, organizations of nations or states, charities and societies, there is a risk that other business persons and the public might believe that a relationship exists or make associations.

Identity or misleadingly similarity of the filing trade name to the names of nations, nationalities, peoples, tribes and clans is a new requirement in Ethiopia that doesn't exist in the repealed legislations. In relation to the implementations of this requirement, the CRLP and its subsidiary legislations aren't clear. In the CRLPLD, it is provided that in implementing the stipulation regarding misleading similarity in article 16(1(b) of the CRLP in general, the requirements of misleading and similarity are to be read cumulatively; and the mere fact a name is only misleading or only similar doesn't preclude the name from registration.⁴⁹ The directive explains that the name should have to be both similar and misleading. But the CRLPLD doesn't explain the circumstances where a name is misleading and similar to the names of nations, nationalities, peoples, tribes and clans. But a trade name identical or similar to the names of nations and nationalities more likely creates a belief of relationship or association. Nowadays, trading names identical or similar to the names of nations and nationalities are becoming common in Ethiopia, especially in the financial sector. In this respect, Cooperative Bank of Oromia S.C, Oromia bank S.C, Amhara Bank S.C, Sidama Bank S.C and Hadiya Bank S.C which is under formation can be cited as examples. Trade names identical or misleadingly similar to the names of nations, nationalities, peoples, tribes and clans may have an implication to competition. In a free market economy, competition is acknowledged as an important factor for economic development and growth. Names may have cultural, emotional and psychological implications beyond mere identification.⁵⁰ When the names of nations, nationalities, peoples, tribes and clans used as trade

⁴⁷ CRLP art 16 (1(b).

⁴⁸ CRLP art 16 (1(c, e).

⁴⁹ CRLPLD, art 47(1).

⁵⁰ KM Sharma, *'what's in a Name: Law, Religion, and Islamic Names'* (1998) 26(2) Denver Journal of International Law and Policy 154.

names customers and the public may attach much greater value to the cultural, emotional and psychological implications of the name beyond the material attribute. In countries like Ethiopia, where ethnic tensions are becoming very serious on one hand, it may be difficult to operate in different part of the country, and on the other hand it may attract potential customers based on ethnicity. Both such difficulty and opportunity scenarios affect fair competition of businesses.

Registration also helps in evaluating whether the trade name is contrary to commendable conduct or ethical values. It is aimed at preventing registration of awkward names which are detrimental to the public interest suggesting violations of norms. Commendable conducts or ethical values are relative based on societies. Names that discredit once religion, language, nation or nationality, once reputation or sex, reputation of the country; names that propagate addictions (intoxication, narcotics, promiscuity), crime, war and hates cited in the directives as examples of names that are contrary to commendable conduct or ethical values.⁵¹

The CRLP including its amendment, CRLR and CRLPLID are silent whether distinctiveness and other word making factors taken as important factor for trade names registration and protection or not. In the HPR legal and justice affairs committee discussion minute it is stated that one among the reasons for repealing trade name provisions in the CRLP 67/1997 was lack of clarities on the causes preventing registration of trade names.⁵²The committee explained that their general nature resulted in confusions among and between the registrants and the registering office, negatively affecting the qualities of trade names registered.⁵³And the amendment was to come up with accepted standards of characteristics trade names requested for registration must meet. To such effect the repelling proclamation come up with long lists of requirements and among others descriptive, generic or common name wasn't registered as a trade name.⁵⁴In addition names which consist of solely of numbers and acronyms lacking meaning were precluded from being registered as a trade name.⁵⁵ Names of renowned people or leaders of countries wasn't used as trade names unless a proper authorization.⁵⁶On the other hand one among the reasons for repelling trade name

⁵¹ CRLPLID Explanation Note (Translation Mine).

⁵² Legal and Justice Affairs Committee, (n36) (Translation Mine).

⁵³ Ibid.

⁵⁴ The repealed CRLP, art 24(3(c)).

⁵⁵ The repealed CRLP, art 24(3(d, k)).

⁵⁶ The repealed CRLP, art 24(3(g)).

provisions under CRLP 686/2010 was to reduce the requirements or the causes preventing trade name registration.⁵⁷ As compared to the repealed legislation, the new CRLP doesn't sufficiently describe what signs or names making up trade names. There is a directive issued by MoTRI to establish guidelines for commercial registration, licensing, and post-licensing inspection. This directive has also annexes which contain application forms, certificate forms, and explanatory notes related to the registration of business names and trade names. Of these annexes, the explanatory note for the registration of trade names has specifically elaborated the conditions under which personal names and acronyms can be registered as trade names. The note provides that, except already registered by other businesses; personal names are eligible for registration as trade names.⁵⁸ It further explains that acronyms may be registered as a trade name when it gives meaning or is in addition with other words. An acronym is meaningful when the acronym by itself is meaningful or represents the name of the applicant or the first names of partners.⁵⁹ As per the explanations provided in the MoTRI directive, it is open to argue that a series of numbers cannot warrant registration for trade names unless accompanied by other words or phrases. But the requirements of descriptive, generic or common name doesn't exist in the lists of the requirements in the new CRLP. The new CRLP and its subsidiary legislations aren't clear whether the nature of words or distinctiveness taken as requirement for registration and protection for trade names or not.

Distinctiveness in trade name refers to the capacity of the name to be perceived by the market participants as a means of identification of the business.⁶⁰ When a new business is formed it is assumed that it has new value and idea which can be expressed with new name. Identification and distinguishing function of trade name is possible when a name is to some extent distinctive to identify the business.⁶¹ The trade and the public remember and associate names comprise a comparatively distinctive portion. A trade name that isn't distinctive cannot help consumer in identifying the business of their choice. Distinctive part most likely catch the eye and ear and make an impression on the purchasers' memory. In order to clearly distinguish one business from the

⁵⁷ Legal and Justice Affairs Committee, (n22) (Translation Mine).

⁵⁸ CRLPLID Explanation Note (Translation Mine).

⁵⁹ Ibid.

⁶⁰ Paul McClelland, *Technical Distinctiveness and the Step-by-Step Approach* (2020)32:1 SAclJ77.

⁶¹ Lucian Wayne Beavers and William Laney, *Choosing and Protecting the Corporate Name* (1977)30 Okla LRev513.

other and a name to have a proprietary nature it is necessary to be distinctive.⁶²When viewed within a spectrum of distinctiveness all names aren't subject to equal strength and words in common use doesn't have same strength to arbitrary or fanciful words.⁶³Selecting a trade name that is distinctive and hard to competitors to steal is taken as the first step in protection for trade names.⁶⁴ In addition distinctive words show some sorts of manufacture, selection or other operations by the owner. In Sweden distinctiveness is important factor for trade names protection and registration, and the exclusive right on trade names not extend to non-distinctive signs, personal names, descriptive indications and geographical names.⁶⁵

2.3.2. Effects of Registration

The CRLP provides that the effect of entry of a trade name in trade name register is prima facie evidence of entitlement to use that trade name.⁶⁶The legal effect of registration of a trade name is evidence. Evidence according to black's law dictionary is 'something includes all the means by which any alleged matter of fact, the truth of which is submitted for investigation, is established or disproved'.⁶⁷Black's law dictionary defines prima facie evidence as 'evidence that will establish the fact or sustain a judgment unless contradictory evidence is produced'.⁶⁸ The burden to prove that the registration is invalid is on the party objects the registration and unless invalidated registration establish the right on the name or sustain a judgment in favor of the registrant. The trade name rights assigned to the person whom first registers the trade name. In the HPR legal and justice affairs committee discussion minute it is stated that in Ethiopia the criteria in establishing exclusive trade name right is being the first to get registration on the trade name.⁶⁹Under Ethiopian trade name regime registration of a trade name provides rebuttable presumption of title in favor of the registrant, and such entitlement is rebutted only through invalidation or cancellation of the registration. Third parties can make the registration of a trade name invalid through invalidation or cancellation. Registered trade name therefore precludes later registration of identical or

⁶² Bryan A Garner, (n7)3243.

⁶³ VG Chowles, '*Company Names*' (1960)23 THRHR128.

⁶⁴ Bernand Steiner, '*Trade names*' (1906)15 Yale Law Journal 52.

⁶⁵ Sweden Trade Name Act, Chapter 1 art 5, Chapter 2 art 1.

⁶⁶ CRLP, art 17(1).

⁶⁷ Bryan A Garner, (n7)1677.

⁶⁸ Ibid3767.

⁶⁹ Legal and Justice Affairs Committee, (n22) (Translation Mine).

confusingly similar variations of the name in same or related fields of business and is a prima facie evidence for entitlement to use that trade name for the registrant.

In Ethiopia registration is mandatory to claim protectable trade name rights, and therefore, registration gives statutory rights to prevent other businesses from using the same or confusingly similar trade names. The Paris convention requires trade names to be protected without the obligation of filing or registration.⁷⁰One among the trade name protection justifications is the public interest. The BIRPI model law suggests that, though regulations make registration of trade names mandatory and provide sanctions for failure to register, sanctions not to consist of a denial of protection of the nonregistered trade name against acts likely to cause confusion.⁷¹The FTCCPT in the case between TCCPA and Samuel G/Mariam (5 individuals)⁷² for claim of unfair competition and discontinued use of trade names by the defendants which are confusingly similar to the applicant's Sami Cafe and Sami Pizzeria and Restaurant, the tribunal rejects the applicant's claim, justifying that no right of action to preclude others confusing use without creating ownership right on the name holding certificate of registration. The tribunal ruled that the defendants' didn't infringe the applicant's right taking registration as a precondition to bring action for violations. The right to object the registration or action for claim of cancellation of registered trade name based on prior right and actions to prevent confusing registration and use limited only to registered trade name owner.⁷³Therefore, registration constitutes a direct evidence to prevent or deter others from registering and using the name or its confusingly similar variation and gives the ability to enforce the right in the trade name.

2.4. Rights in Trade Names

Historically at the very beginning of commerce symbols of ownership were used as a matter of necessity required by statutes and regulations to fix responsibility.⁷⁴In the early stages of its development there was divergence of opinion as to the nature of the right on trade names whether or not constitute a property right.⁷⁵It was argued that apart from questions of unfair competitions

⁷⁰ *Paris Convention for Protection of Industrial Property (1883)* [hereinafter Paris Convention], art 8.

⁷¹ BIRPI model law, (n8)80.

⁷² *'Sami Café Case'* (2010) FTCCPT 00077(Translation Mine).

⁷³ Interview with Mr Frew Mamo, Legal Service Director MoTRI, May 2022.

⁷⁴ Walter Halliday, *'Protection of Trademarks and Trade Names'* (1964)46 J Pat off Soc'y 485.

⁷⁵ De Becker, (n31)56.

there is no property right in a name.⁷⁶But with the prominence of corporation within the global economy and multiplication of means of advertising coupled with equivalent increase in fraudulent trading that injures competitor's business reputation, renewed emphasis given to the rights on trade names.⁷⁷The contemporary legal argument states that by advertisement that induce consumer responsiveness to a particular name create a thing of value which is property and the proprietor is entitled to protection against deprivations.⁷⁸The public sell, buy or make other transactions to or from businesses, and in such dealings market communication is crucial. Trade names as a communication tool convey information to purchasers that a trader is a distinct entity that competes in the market.⁷⁹Trade names affect customers' attitudes, awareness, image, knowledge and loyalty towards that business and help to create a differentiated clear image that cannot be explained by product attributes.⁸⁰Identified in a single identity in all transactions, an association created between the trade name and the person using it, which is the goodwill.⁸¹A business person has valuable interest on its goodwill. Trade name has economic value because it gives differential advantage over competitors for economic pursuits.⁸²The most important attribute of any trade name is economic value of its ability to aid sales.⁸³ Furthermore, goodwill is a consequence of investment in a particular name. An investor should enjoy the fruits of its investment. Such investments might be time, money, and expertise. The economic justification for the basis for protection of trade names is therefore, incentives for investments in reputation or goodwill. Goodwill is customers' good disposition towards the business identified by the particular name that induces customers to continue patronizing the business.⁸⁴It is universally recognized that goodwill is property.⁸⁵Providing reliable information about the business to consumers and thereby preventing consumer confusion in the market place, trade names also constitute for their owners an asset with a money value. The goodwill of a business which is the benefit and advantage of good name,

⁷⁶ KM Sharma, (n50)187.

⁷⁷ Harry D Nims, *'Law of Unfair Competition and Trade-Marks (2)'*80.

⁷⁸ Felix Cohen, *'Trademark: Introduction'* (1935)97.

⁷⁹ Bertram Willcox, *'Protection of a Trade Name in New York State'* (2014)3(1) St. John's LR4.

⁸⁰ Baker Ahmed and Zeid Ahmed, *'Naming Businesses: Names as Drivers of Brand Value'* (2012)22 Competitiveness Review Journal333.

⁸¹ Harry DNims, (n77)120.

⁸² Floyd A Wright, *'Tort Responsibility for Destruction of Goodwill'* (1929) 14(3) CornellLRev309.

⁸³ Lucian Wayne Beavers and William Laney, (n61)512.

⁸⁴ Walter Halliday, (n74)492.

⁸⁵ Grover C Grismore, *'The Assignment of Trademarks and Trade Names'* (1932) 30(4) MICH L REV491.

reputation and connection of a business⁸⁶ may often of greater value than all the tangible properties. Trade names since easily available to the general public may easily exploited. Third party use of an identical or similar trade name may significantly erode such distinguishing function of trade names.⁸⁷In order to allow for the beneficial effects to be reflected on the market trade names need to be afforded protection by the law. Trade names protect commercial exploitation by third parties that infringes up on trade name rights.⁸⁸Therefore in addition to promotion of honesty and fair dealing and protection of the purchasing public, protection of individuals' property rights becomes a justification for trade names protection.

Trade names nationally and internationally recognized as IPRs. The Convention Establishing WIPO under article 2(viii) lists rights relating to commercial names and designations as subjects of IP. The Paris convention includes trade name as the object of protection of industrial property rights.⁸⁹The TRIPs agreement defines IP based on the subjects of protection making a reference to the substantive provisions of the Paris convention for the protection of IP.⁹⁰The Paris convention mandates the protection of trade names independently of their entitlements to protection as trademarks whether or not it forms part of a trademark.⁹¹

In Ethiopia property is defined as movable and immovable property including IPRs.⁹²EIPO establishment proclamation under article 2(1) defines IP as a legal right over a creative work of human intellect and includes patent, trademark, registration certificate and copy right. This proclamation though illustrative, doesn't list trade name as part of IP. But the HPR legal and justice affairs committee discussion minutes on the repealed CRLP indicate that trade name was recognized as industrial property right. The HPR legal and justice affairs committee discussion minute for the new CRLP states that when the CRLP repealed, it doesn't mean that the concepts in the previous legislations are totally repealed, and the concepts in the repealed laws will be useful in the applications of the later laws.⁹³In the discussion minute for the repealed CRLP 67/1997, in

⁸⁶ Ibid492.

⁸⁷ Gail Evans (n17)1044.

⁸⁸ The Recognition of Rights, (n19)106.

⁸⁹ Paris Convention, art 1(2).

⁹⁰ TRIPs agreement, art 2(1), 1(2).

⁹¹ Paris Convention, art 8.

⁹² CRLP, art 2(35).

⁹³ Legal and Justice Affairs Committee, (n22) (Translation Mine).

explaining the need for making optional trade name registration, it was stated that trade name is among industrial property rights and whether a business person needs protection for the name used being registered, must left to discretion of the business person.⁹⁴ Furthermore in explaining the need for central trade name register, it is stated that since trade name is property, it is to verify and ascertain that whether the name previously registered and create a property right for another business person.⁹⁵ Trade names also described as the constitute elements of business.⁹⁶ The Ethiopian commercial code describes goodwill as a value results from the creation and operation of a business and relationship of a trader to purchasers.⁹⁷ The commercial code describe business as incorporeal movable property consist of corporeal and incorporeal elements, describe goodwill as its main constituency and list trade names, trademarks and IPRs as an elements of business.⁹⁸ From such provision, under Ethiopian law, goodwill is a property and its constituting elements are distinctly considered property. Trade name is among such constituting elements for goodwill. Therefore, it is possible to argue that the economic incentive justification may be the major justification for trade names protection in Ethiopia.

The other important point is the nature of the property rights that might be claimed in trade names. In modern economies intellectual products are primary business assets.⁹⁹ The attributes of ownership right in IPRs differ from those commonly associated with ownership of chattels. IPRs are the propertization of talents which are results of human intellect.¹⁰⁰ IP is statutory species of property created by legal regime.¹⁰¹ IPRs in general don't confer property right expressed in the ordinary sense. But a person who creates a creative work must be protected and must entitle all the benefits of property and like other property must be protected from invasion. Negative right which is a right to stop others from unauthorized exploitation is the main characteristics shared by all IPRs types.¹⁰² The protection given for trade names is protection of goodwill against

⁹⁴ Legal and Justice Affairs Committee, *CRLP* (HPR 1989 -1, 67-2) (Translation Mine).

⁹⁵ *Ibid.*

⁹⁶ Legal and Justice Affairs Committee, (n36) (Translation Mine).

⁹⁷ '*Commercial Code of FDRE Proclamation 1243/2021*' [hereinafter commercial code], art 112.

⁹⁸ Commercial Code, arts 106, 109(1) (2(a, b, d), 110.

⁹⁹ Miguel Deutch, '*Unfair Competition and the Misappropriation Doctrine - A Renewed Analysis*' (2004)48(2) St Louis U LJ503.

¹⁰⁰ Justin Hughes, '*The Philosophy of IP*' (1988) Georgetown University Law Center and Georgetown Law Journal3.

¹⁰¹ *Ibid.*4.

¹⁰² K M Sharma, (n50)187-189.

invasions.¹⁰³ Goodwill is the intangible res. A trade name exclusively registered for purpose of designating the business.¹⁰⁴ The exclusive property right is the right claimed in trade names. Exclusive rights encompass the right to use the name, and the right to exclude others from the use of the same or the resembling designation, likely to mislead the public.¹⁰⁵ In a registered trade name, registration gives legal validity to the registrant to exclude others not to register or use in their trade a name the same as or similar to the registered trade name.¹⁰⁶ The exclusive right owner must be able to use and to prohibit other business person's registration and use of identical and confusingly similar trade names for which the name protected.

The CRLP with in a specific provision doesn't list substantive rights obtained by trade name registration. It says nothing whether registration has effect of preclusion of third parties use. Jurisdictions recognize the right to use and the right to authorize to use and right to exclude others as statutory trade name rights. The right authorizes the holder of the registered name with the right to use the name and to control the use of confusingly similar variations of the name by others in the market. The recognition of owner's right to exploit, to authorize to use and to exclude all others from unauthorized use implies commercial utilization as private property. The Sweden trade name act, for example, provide a specific provision that states about the trade name holder's exclusive right and gives explanation on what the exclusive trade name right implies.¹⁰⁷ According to the act the exclusive right implies no one other than the holder is, without consent, entitled to use, in the course of commercial activities a sign identical to a trade name for same or similar activity; confusingly similar variation to a trade name for same or similar activity; or if a trade name is well-known identical or similar symbol, if the use takes unfair advantage of or is detrimental to the distinctive character or the reputation of a trade name regardless of the fields of activities. In cases of conflicting rights one with earlier title prevails and when the exclusive right on a trade name acquired through establishment on the market the holder of the earlier right is in duty with a reasonable time to take measures to prevent later use.¹⁰⁸ Evaluating the Ethiopian trade name

¹⁰³ Garland David, et al, Editors American and English Encyclopedia of Law Northport NY, Edward Thompson Co345.

¹⁰⁴ De Becker, (n31)56.

¹⁰⁵ BIRPI Model law, (n8)3.

¹⁰⁶ De Becker, (n31)57-58.

¹⁰⁷ Sweden Trade Name Act, Chapter 1 art 4.

¹⁰⁸ Sweden Trade Name Act, Chapter 1 art 6.

provisions no specific provision dedicated to exclusive trade name rights. But one may argue that those rights are recognized. The CRLP imposes a duty on the registering office to refuse registration of a trade name where a trade name requested for registration is identical or misleadingly similar to a trade name or name of business previously registered for same or related fields of business.¹⁰⁹This provision is prohibitory. It simply informs the business community that the same or similar name will not be accepted by the registering office and commands the registering office not to register identical or confusingly similar names. The power conferred for the registering office is authority to compare names and prevent registration if believes identical or misleadingly similar. But the law further provides that the legal effect of the registration of the trade name is evidence for the entitlement to use that trade name.¹¹⁰This indicates that registration confirm presumptive validity to entitlement to use that trade name. Registration authorizes exclusive rights on the trade name where it doesn't conflict with prior rights of third parties. Prior third parties rights can be names of business organizations, trade names or trademarks. Earlier registered trade name and name of business organizations provided under the provision among the causes preventing later registration of trade name.¹¹¹Under TMRPP the registered trade mark owner also conferred with the right to preclude any use of the sign or a sign resembling without just cause and in the condition likely to be prejudicial to his interest.¹¹²Any use of a sign or a sign resembling in this provision may include a sign used to distinguish a business or trade names. From those provisions one may understand the registered trade name owner has the right to control confusing registration. But in the HPR legal and justice affairs committee discussion minute the nature of the right established for the business person through trade name registration is explained as the entitlement to use the name and protection against other persons from using that trade name.¹¹³Having such a discussion minute the exclusive trade name right must be understand to include the right to control confusing use.

¹⁰⁹ CRLP, art 16(1(a)).

¹¹⁰ CRLP, art 17(1).

¹¹¹ CRLP, art 16(1(a)).

¹¹² TMRPP, art 26(2(b)).

¹¹³ Legal and Justice Affairs Committee, (n22) (Translation Mine).

2.5. The Extent of Protection

As a statutory species of right created by legal regime, the protection given for trade names may be affected by different factors. Economic competition is relative on products, place or area, time and goodwill. Territory, field of business activity and reputation are factors affect the extent of protection given for trade names.¹¹⁴

2.5.1. Territory

It was established that use of another's trade name on businesses which don't compete is legal and the same or similar trade names do peacefully coexist and trade in different territory.¹¹⁵In the registration system, state or federal laws may define rights in terms of political rather than economic regions.¹¹⁶The registrant of a name have either nation-wide or state-wide benefit and protection will be either throughout the state or throughout the country without consideration of use within the entire area. For instance, in Sweden the exclusive right for the registered trade name applies within the territory for which it has been registered, and if right established through establishment on the market the exclusive right applies only within that territory.¹¹⁷ A trade name in Sweden may be registered with effect in the entire country or specific territory.

In the FDRE constitution the power to regulate and administer trade names either to the federal government or to states isn't clear. But in the HPR legal and justice affairs committee discussion minute for CRLP it is stated that, based on the constitutional power to regulate trade and commerce under article 51(12) of FDRE constitution and the constitutional objective of creating one economic community, regulation of trade and trade name was described as among the powers of federal government.¹¹⁸Trade names regulated under the CRLP. Undertake trade name registration and establish central trade name register which have nationwide application is among the power and duties of the MoTRI.¹¹⁹But the regional organs administering commercial activities and the investment commission undertake trade name registration through delegation from MoTRI.¹²⁰The

¹¹⁴ Irwin Alterman, *Trade Regulation in Michigan: Trade Names and Trademarks*' (1978)24 Wayne LR186.

¹¹⁵ The Recognition of Rights, (n19)114.

¹¹⁶ John Cross, (n9)121.

¹¹⁷ Sweden Trade Name Act, Chapter 1 art 2.

¹¹⁸ Legal and Justice Affairs Committee, (n22) (Translation Mine).

¹¹⁹ CRLP, art 4(1, 2).

¹²⁰ CRLP, art 4(3).

purpose of central trade name registrar is to have a complete list of trade names and to give effect to have nationwide protection. Though trade name registration may administer by regional states through delegation, the registration effect is national having nationwide application. Therefore, right on registered trade name under Ethiopian trade name regime isn't limited based on territory. But in the case between Helen Hailu and Helen Hailu¹²¹ for the claim of unfair competition and discontinued use of registered trade name 'ሄለን ዩውቤት ማሰልጠኛ ማዕከል' by the defendant in Michawu and Secota, while the applicant use for ten branches including Mekelle, in the same field of activities, the FTCCPT reject the applicant's claim. The tribunal justifies its decision based on the facts that the defendant use of her own name as trade name and trading in different zones and towns having different customer bases didn't show defendant's dishonest, misleading or deceptive acts likely to harm applicant's business interest. The reasons given shows that in determining existence of unfair competition, the tribunal examined competition relative on market or territory which in effect limit nationwide application of trade names.

2.5.2. Fields of Activity

The wrong to imitation of another's trade name was usually conferred only in the particular field of activity the name used or registered.¹²² It was established that use of another's trade name on businesses which don't compete is legal. Usually unrelated businesses aren't forbidden from using the same trade name. Recently whether trade name will be protected only in relation to particular field of trade activity or more broadly in the absence of competition is an issue.¹²³ It is argued that trade name, whether ordinary or well-known, is about the identity of the business where identity of goods or services is irrelevant and protection to extend to different field of activity.¹²⁴ Competition becoming no longer an ingredient, the doctrine for protection extends beyond the particular field of activity, where a trade name used to the misappropriation for the commercial advantage of one person to another.¹²⁵ Recently the New York State court don't

¹²¹ *Helen Yewubet Masetegna Maekel Case* (2009) FTCCPT 00056 (Translation Mine).

¹²² Garland David, (n103)408.

¹²³ The Recognition of Rights, (n19)101.

¹²⁴ BIRPI model law, (n8)29.

¹²⁵ John Diamond, *'Unfair Competition in Use of Corporate Names'* (1963)12 Clev-Marshall LR154.

regarded actual competition as an essential element in an action to enjoin the use of a trade name holding that competition isn't a sine qua non.¹²⁶

In Ethiopia mere prior registration of a trade name not prevent registration of the same name for a business entirely different nature.¹²⁷ Even identical trade names can be registered as a trade name for a business with entirely different nature. In Ethiopian trade name regime trade names are confusingly similar when the field of trade is identical or closely related, and if the fields of businesses are different nature the names may not be confusing.¹²⁸

2.5.3. Reputation

Reputation which is an element of goodwill justifies the extended protection.¹²⁹ Rights in trade name acquired not only where the name was used or registered, but also where it was known in a given jurisdiction in the absent of use or registration.¹³⁰ In BIRPI model law proprietor of well-known trade name authorized to preclude identical or similar designations by others without the requirement of use in the area.¹³¹ It also suggests protection to extend to different fields of activities.¹³² With the recognition of modern advertising and the rapid expansion of businesses, substantial economic interest in the name outside the area of actual marketing becomes necessary, and the more elastic confusion standard has become the dominant theory of decision in American courts.¹³³ Such extended protection for well-known trade names regardless of the field of activities is also recognized in Sweden.¹³⁴

One of the grounds that prevent registration of a trade name under CRLP is where a trade name requested for registration, though isn't registered in Ethiopia, it is renowned in Ethiopia or around the world and no written permission to use the name acquired.¹³⁵ The CRLP simply says renowned

¹²⁶ Bertram Willcox, (n79)19.

¹²⁷ CRLP, art 17(2).

¹²⁸ CRLPLID Explanation Note (Translation Mine).

¹²⁹ Sara Jane Suguitan, '*Confusing Case Law on Confusing Similarity: Resolving the McDonald's v. Big Mak Controversy*' (2005)50 Ateneo LJ240.

¹³⁰ Jeremiah McAuliffe, '*Commercial Names in International Trade*' (1971) 61 Trademark Rep 65.

¹³¹ BIRPI model law, Section 6(1(d)).

¹³² Ibid31.

¹³³ Fletcher Yarbrough, '*Protection of Territorial Rights in Corporate Names and Trade Names*' (1964) 19(4) Business Lawyer (ABA) 926.

¹³⁴ Sweden Trade Name Act, Chapter 1 art 4.

¹³⁵ CRLP, art 16(1(d) (as amended)).

in Ethiopia or around the world and this may refer both nationally and internationally renowned trade names to preclude later registrations without requirement of specific use and registration. But the CRLPLID explanation note states that the criteria under article 16(1(d) of the CRLP (as amended) is to trade names in other foreign countries renowned in Ethiopia or international renowned trade names, without the requirement of registration and use in Ethiopia. It doesn't give protection for unregistered well known national trade names as a whole. Under Ethiopian trade name regime reputation add noting in the field of business protected. Like ordinary trade names the protection for well-known trade names is limited to same or closely related fields of business.¹³⁶

3. Protection Tools for Trade Names and Remedies for Violation in Ethiopia

3.1. Protection Tools for Trade Names under Ethiopian Trade Name Regime

The 2001 second WIPO consultation process that analyze how trade names were protected in different countries, demonstrate the wide variations in countries' approach to national protection of trade names against the risk of confusion, either through a special law or under special provisions of civil law, criminal law, company law, commercial law, or common law principle of unfair competition or passing off.¹³⁷The report found that trade names presently find increasing intellectual support and protected in the law of unfair competition while in some countries like Sweden businesses better protected by trade names through infringement action.¹³⁸Trade name rights can be protected by operation of common law unfair competition or by means of an infringement action. Furthermore, countries that follow registration approach may also provide opposition and removal or cancellation remedy as protection tools. Generally protection tools for trade names can be opposition, removal, unfair competition actions or infringement actions.

3.1.1. Opposition

The opposition remedy is when a statute provides for opposition proceedings in which prior registrants can contest later applications which deemed identical or objectionably similar.¹³⁹This is the opposition against registration of an identical or confusingly similar trade name on the bases

¹³⁶ CRLP, arts 16(1(e), 17(2).

¹³⁷ *A Review of the Relationship between Trademarks and Business Names, Company Names and Domain Names* Australia Government ACIP (2006)10.<https://docplayer.net/> February 2022.

¹³⁸ The Recognition of Rights, (n19)102.

¹³⁹ MP McDermitt and RA Manetti, *Protection of Discontinued Company Names* (1967)22 Bus Law426.

of senior protected trade name. An opposition proceeding has the advantage of possibility of dealing with potential conflicts at an early stage.

3.1.2. Removal or Cancellation

The removal remedy is based on senior trade name registration to remove later identical or confusingly similar registration through cancellation or invalidation.¹⁴⁰ It is the removal of an identical or confusingly similar registered trade name on bases of senior protected trade name. Revocation of a registered trade name due to earlier rights is among the tools of trade name protection in Sweden.¹⁴¹

3.1.3. Unfair Competition Action

Protection through unfair competition is available as long as confusion is likely, but giving sufficient latitude for non-confusing use in order not to stifle competition.¹⁴² Unfair competition is about prevention of confusion related harm focusing on market place effects of conducts. The nature of the names has impact in determining its violation. For fanciful or arbitrary class of names mere use or close imitation creates a cause of action and use by any other person can only be to gain the advantage to be had from the reputation of the other business and confusion is presumed.¹⁴³

3.1.4. Infringement Action

In infringement suit, action is based upon the invasion of the right on the name and in order to set prima facie case it is necessary to show statutory right in the name.¹⁴⁴ Infringement action brought based essentially on the registration itself and the registration of the name is prima facie evidence of entitlement, and deception or confusion being a test of whether or not the right has been invaded, is presumed.¹⁴⁵ Infringement is about protection of the exclusive rights focusing on the trade name. The rights are more certain and their commencement is clear. Once registered it

¹⁴⁰ Juan Carlos Durand Grahammer, (n6)61.

¹⁴¹ Sweden Trade Name Act, Chapter 3 arts 1, 2.

¹⁴² *IP Handbook*, (2004)489 WIPO publication138.

https://www.wipo.int/edocs/pubdocs/en/intproperty/489/wipo_pub_489.pdf September 2020.

¹⁴³ Garland David, (n103)347.

¹⁴⁴ *Injunctions for Protection of Trade-Marks and Trade Names*' (1935)4 Mercer Beasley LR196. Downloaded from Hein Online, September15 2022.

¹⁴⁵ *Ibid*197.

gives exclusive right to the business person and its unauthorized use by third party is fraud constitute infringement. Infringement is established when the infringing trade name is identical or misleadingly similar to a protected trade name. No other proof is required. In Sweden confusion or risk of confusion for trade names claimed through trade name infringement action.¹⁴⁶

In Ethiopia examining trade name provisions under the CRLP, one can argue that the law isn't comprehensive and clear as to protection tools for trade names. Though one of the grounds for preventing registration of trade name under the CRLP is where the trade name requested for registration is identical or misleadingly similar to previously registered trade names and names of business in the same or related fields of business,¹⁴⁷ the law doesn't clearly articulate the objection and cancellation proceeding by third parties to such effect. But, as the relevant commercial and trade name registering authorities has the power to take administration measures provided under CRLP and CRLR against any person violate provisions provided under the proclamation, the regulation and the directive issued accordingly,¹⁴⁸ it may be possible to argue that this power may include measures related to registration of trade names. The CRLP provide prove of fraudulent and erroneous trade name registration and decision of nullifying the registration of a trade name as grounds for cancellation of a registered name by the registering office.¹⁴⁹ The CRLP provides the registering offices before cancellation of a registered name to give the opportunity for the registrant to submit objection to the objections for cancelation.¹⁵⁰ The CRLP authorize the registering office to issue evidence of cancellation where the former user of the trade name whose registration is cancelled applies for evidence of cancellation.¹⁵¹ From all those provisions one can argue that the objection and cancellation applications can be lodged for the registering office by business persons claim priority right on a trade name. Furthermore, the CRLPLID remedy, the previous business person keep the entitlement while the later to change its trade name, when compliant lodged and a trade name registered found registered for another business person by

¹⁴⁶ Sweden Trade Name Act, Chapter 5 arts 1-12.

¹⁴⁷ CRLP, art 16(1(a)).

¹⁴⁸ CRLP, arts 4(11), 46.

¹⁴⁹ CRLP, art 18(1(b, d)).

¹⁵⁰ CRLP, art 18(2).

¹⁵¹ CRLP, art 18(4).

mistake or for any other reason¹⁵² indicate the recognition of the objection remedy under the Ethiopian trade name regime.

A trade name or its imitation may be used by competitors in the manner that deceive or likely to deceive customers and indeed believe that the enterprises run by the same business person. But the CRLP neither define trade name infringement nor provide infringement action as a protection tool for violations of trade names exclusive use rights. In the Ethiopian commercial code goodwill is the valuable element of a business results from the creation and operations of the business on its relation with purchasers.¹⁵³Trade names protect goodwill. The CRLP don't provide protection tools for trade names against confusion beyond registration. In the commercial code it is stated that goodwill can be preserved by setting up the prohibitions provided under the relevant specific laws or by instituting proceedings for unfair competition.¹⁵⁴Therefore unfair competition law is one mechanism of preservation of goodwill of a business. The specific trade name provisions prohibit the registration of a trade name which is identical or confusingly similar to previously registered trade names or business names in the same or related field of business. Yet, it is important to note that the protection afforded is limited to the registration alone, rendering it insufficient for comprehensive safeguarding. Since the exact protection provided under the special trade name provisions under the CRLP isn't sufficient instituting proceeding for unfair competition becomes the available mechanism. The business persons' right to carry on trade is subjected to prohibitions regarding unfair competition. Due to the inadequacy of the protection offered by the specific trade name provisions, the relevant rules of unfair competition can serve as legal grounds to claim and resort to proceeding for infringements of trade names. As obviously known, the right to engage in trade is constrained, among other legal requirements, by legal prohibitions related to unfair competition. Thus, relevant rules pertaining to unfair competition could complement the CRLP's inadequacy to provide specific remedies for trade name infringement, violations of trade name rights are governed. Notably, the TCCPP contains provisions implicitly addressing trade names. In particular, it is crucial to recognize that, after trade name registration, and when faced with the limitations in protection, use of the TCCPP becomes the sole mechanism. The TCCPP is

¹⁵² CRLPLID, arts 7(4), 8(4).

¹⁵³ Commercial code, art 112.

¹⁵⁴ Commercial code, art 112.

designed with the objectives of safeguarding the business community from anti-competitive and unfair market practices, as well as protecting consumers from misleading market conduct.¹⁵⁵ Any act that causes or likely to cause confusion with respect to another business person or its activities is deemed, under the TCCPP, as an act of unfair competition.¹⁵⁶ In the course of trade, carrying of any act which is dishonest, misleading or deceptive, and harms or is likely to harm the business interest of competitors is prohibited under the TCCPP.¹⁵⁷ It also prohibits misleading Commercial advertisements.¹⁵⁸ All those conditions on prohibition of creating confusion under the TCCPP can apply to cases concerning confusions due to trade names. These provisions serve as catch all measures providing standards and remedies to trade name owners when the specific trade name provisions are not available to them.

3.2. Remedies for Violations on Trade Name Rights under Ethiopian Trade Name Regime

The TRIPs agreement requires member states to establish enforcement procedures, within their legal frameworks to effectively address acts of infringement, providing expeditious remedies to prevent and deter further violations in the realm of IPRs.¹⁵⁹ The Paris convention require countries to take effective measures to repress infringements of trade names and requires assurance of appropriate legal remedies to effectively repress acts of unfair competition.¹⁶⁰ To maintain cause of action for trade name rights a person must establish the right to operate the business under a certain name and third parties violation of such a right by use or registration of identical or confusingly similar variation. In Ethiopia the trade name right enforcement procedures found in the CRLP, CRLR, CRLPLID, in the TCCPP, in the civil code and in the criminal code. Generally, enforcement and remedies for trade name rights typically encompass administrative, civil, and criminal measures.

3.2.1. Administrative Remedy

The major reason for trade names protection through registration under CRLP is to avoid confusions of businesses. The initial stage where such confusions may be avoided is registration.

¹⁵⁵ TCCPP, art 3.

¹⁵⁶ TCCPP, art 8(1).

¹⁵⁷ TCCPP, art 8(2).

¹⁵⁸ TCCPP, art 19(3).

¹⁵⁹ TRIPs agreement, art 41(1)).

¹⁶⁰ Paris Convention, art 9, 10ter (1).

Legislations may authorize organs that administer trade name registration to take administrative measures against grievances related to registration. When the trade name registration provisions under the CRLP, the CRLR and the CRLPLID are violated the MoTRI and the regional organs administering commercial activities are in duty to take administrative measures provided under the CRLP and the CRLR.¹⁶¹ Among issues that need administrative decision by such organs are applications for objections on trade names registration and cancellations for registered trade names. Such administrative measures taken by the MoTRI and the regional organs administering commercial activities among other things include cancelation measure.¹⁶² Such administrative organs can also order change of trade name against the later while entitling the previous business person to keep the entitlement.¹⁶³ Aggrieved person by the decision of the administrative organs has the right within 10 days to submit grievances to the head of those administrative organs.¹⁶⁴ The head is in duty within 5 days to give a written decision on the petition lodged. But if the head fails to notify the decision within the specified period or any aggrieved person by the decision of the head, has the right to lodge petition to regular court having jurisdiction only on issues of law.¹⁶⁵ The CRLP doesn't clearly indicate the regular court where such a petition will be lodged. The federal administrative procedure proclamation provides that a petition to review administrative decisions shall be submitted to the Federal High Court.¹⁶⁶ Furthermore, in the case between Abesa Amente Vs Addis Ketema Sub-city Environmental Protection Office and Addis Ketema Sub-city Trade and Industry Office on the issue of jurisdiction of courts against the decisions of suspension of trade license rejecting application for renewal, the FSCCD interpreting article 47 of the CRLP, aggrieved person by the administrative decision not file action to Addis Ababa city first instance court, but only lodges appeal to the Addis Ababa city appellate court.¹⁶⁷ From this interpretation one can understand that the regular court having jurisdiction under article 47(3) of the CRLP is the Federal High court at federal level, the regional high court at regional level and the Addis Ababa

¹⁶¹ CRLP, art 46.

¹⁶² CRLP art 2(36).

¹⁶³ CRLPLID, arts 7(4), 8(4).

¹⁶⁴ CRLP, art 47(2).

¹⁶⁵ CRLP, art 47(3).

¹⁶⁶ *Federal Administrative Procedure Proclamation No. 1183/2020*, art 49(1).

¹⁶⁷ (2011) FSCCD 145733, (2012) 23 FSC LISD 330.

and Dire Dawa city administrations appellate courts depending on the respective organ that gives the administrative decision.

3.2.2. Civil Remedy

The TRIPs agreement impose obligation on countries to stipulate injunctions and damages as judicial remedies.¹⁶⁸Through the injunctions remedy the TRIPs agreement authorizes the judicial authorities to order a party to desist from an infringement.¹⁶⁹A business person who has a prior right on a trade name can demand use to be discontinued against any person who uses an identical or similar sign and use will be enjoined when facts show likely of confusion or unfair competition.¹⁷⁰Injunction is therefore an action for restraining a person from unauthorized use. Restraining the unlawful use is the primary objective of infringement suit. Injunction may be interim or permanent injunction. Permanent injunctions may be either by absolutely forbidding from conducting business under the disputed name or by minimizing probability of confusion making the disputed name capable of differentiating the businesses.¹⁷¹From these provisions one can understand that good faith isn't a defense for action for injunction.

The damages remedy under TRIPs agreement authorizes judicial authorities to order payment to the damage adequate to compensate for the injury suffered where infringement is with knowledge or with reasonable grounds to know.¹⁷²From this provision one can understand that good faith may be a defense for action for damages. Good faith or the intent factor examines whether one sought to benefit from goodwill of the other. But in Sweden for instance, trade name infringement without intent or negligence results in payment of compensation for the exploitation to the extent reasonable.¹⁷³

In Ethiopia the TCCPP prescribes variety of statutory enforcement remedies to prevent conducts that are harmful to competition and consumers. It gives power and responsibility to the TCCPA to organize judicial organs with jurisdiction on issues of trade competition and consumer

¹⁶⁸ TRIPs agreement, arts 44, 45.

¹⁶⁹ TRIPs agreement, art 44(1).

¹⁷⁰ John Diamond, (n125)163.

¹⁷¹ Seton Gordon, '*Unfair Trade - Proper Name and Name of Place*' (1903)2 Can LR322.

¹⁷² TRIPs agreement, art 45(1).

¹⁷³ Sweden Trade Name Act, Chapter 4 art 7.

protections.¹⁷⁴Trade name may be one among the issues of trade competition and customer protections. A business person may affect trade competition or mislead customers using same or confusingly similar trade name to its competitors. From those provisions it is possible to understand that the adjudicative tribunals of TCCPA has judicial functions over trade competition and consumer protections in cases that may involve trade names. The FTCCPT can take several measures ranging from passing judicial measure of discontinuation of the act pronounced unfair (injunctions),¹⁷⁵ imposing of judicial administrative penalties,¹⁷⁶ passing an order regarding the payment of compensation for sustained damages,¹⁷⁷ and to order the offending party to take affirmative actions to reinstate the injured party's competitive position.¹⁷⁸The decisions of the FTCCPT are appealable within 30 days from the date of decision to the FTCCPAT.¹⁷⁹The decisions of the FTCCPAT with its appellate jurisdiction are appealable within 30 days to the FSC only on mistakes on questions of law.¹⁸⁰These recognized remedies for unfair competition and consumer protection claims under the TCCPP may also be remedies for trade names. As to the assessment of payment of compensation for damages due to acts of unfair competition, the TCCPP make a reference that payment to be in accordance with the relevant laws.¹⁸¹ Since the special trade name provision are insufficient the relevant law here is the Ethiopian civil code and therefore, the FTCCPT while entertaining the claim for damages arising from unfair commercial competition, must stick to the rules and principles of the Civil Code governing extra-contractual liability. The Damage may be actual damage or on account of profits. Damages remedy may be appropriate when the owner suffers an actual economic loss or the infringer is unjustly enriched. If the action for compensation is based on extra contractual liability, the existence of damage, the extent and the circumstances of liability has to be proved. According to the Ethiopian civil code it is up to the victim to establish the damage, the amount of damage and the circumstances which renders the defendant liable to make the damage good.¹⁸²As a rule a person shall be liable for the

¹⁷⁴ TCCPP, art 30(9).

¹⁷⁵ TCCPP, art 32(2(a)).

¹⁷⁶ TCCPP, art 32(1(a), 42(3)).

¹⁷⁷ TCCPP, art 37(1(b, c), 37(2, 3)).

¹⁷⁸ TCCPP, art 32(2(b)).

¹⁷⁹ TCCPP, art 33(2(b)).

¹⁸⁰ TCCPP, art 39

¹⁸¹ TCCPP, art 32(1(b)).

¹⁸² *The Civil Code of Ethiopia 1952* [hereinafter Civil Code], art 2141.

damage he causes to another by an offence or fault.¹⁸³ Fault requires an act which may consists of an act of intention or negligence.¹⁸⁴ Compromise the credit or reputation of a commercial establishment by any means contrary to good faith is fault under the civil code.¹⁸⁵To recover the actual damage caused due to confusions on trade names, it is important to prove the actual customer confusion that caused an economic loss. To prove an actual loss providing evidence like diversion of sales, loss profit or loss goodwill is necessary. As to the extent of compensation, the civil code as principle provides the damage to the victim to be good by awarding an equivalent amount in damages.¹⁸⁶But, when the action has been brought only with a view to establish the right of the plaintiff has been infringed or a liability has been incurred by the defendant it may be possible for the court to award damages of a purely nominal amount.¹⁸⁷ There may also the scenarios where though no dispute as to existence of damage, the assessment of its amount may be disputed. Where the existence of damage is undisputed and a difficulty exists in the assessment of its amount, the civil code provides the possibility where the extent may be determined based on equity.¹⁸⁸ Where the exact amount of damage cannot be calculated, the amount shall be fixed equitably taking in to account the ordinary course of events and the measures taken by the injured party. In the case between Solnet Academy PLC Vs Ms Aster G/Medihin, Mr Mola Getaneh and Sonelt Academy PLC which was brought to FTCCPT for the claim of damages £250000 due to unfair competition¹⁸⁹, the evidence heard prove the existence of damage, but its extent wasn't proved. The defendants use 'ሶኔልት አካዳሚ' as its trade name, while the plaintiff previously used and registered 'ሶልኔት አካዳሚ' as its trade name. The tribunal decided the defendants' act an act of unfair competition which results in economic loss for the plaintiff. But as to the amount of compensation though the evidence doesn't prove the exact amount, the tribunal decided for payment of £100000 based on equity. An account of profits is possible when the infringer made money from the infringement. The Ethiopian civil code imposes a duty on any person who drives a gain from the work or property of another without just cause to indemnify the other to the extent

¹⁸³ Civil Code, art 2027(2).

¹⁸⁴ Civil Code, art 2029(1).

¹⁸⁵ Civil Code, art 2057.

¹⁸⁶ Civil Code, art 2091.

¹⁸⁷ Civil Code, art 2104.

¹⁸⁸ Civil code, art 2102(1).

¹⁸⁹ *Solnet Academy Case* (2010) FTCCPT 00075. (Translation Mine).

enriched himself.¹⁹⁰Therefore under the TCCPP and the Ethiopian civil code it is possible to claim damages from any person who commits an act of competition which amounts to a fault. Since the remedies under the civil code and the TCCPP through unfair competition need to establish fault, the remedies available for trade name infringements are limited in scope.

3.2.3. Criminal Remedy

The TRIPs agreement, unlike trademarks and copy rights, doesn't provide criminal remedy for trade name infringements.¹⁹¹But since provisions in the agreement are minimum requirements, states may provide criminal procedures and penalties. For instance, in trade name regime of Sweden criminal punishment¹⁹² for intentional and negligent trade name exclusive right infringements are incorporated. Criminal responsibility also recognized as enforcement procedure under the TCCPP and the Ethiopian criminal code which may extend to cases of trade names. Committing any fraudulent or confusing act in any transaction is crime under the TCCPP and the Ethiopian criminal code.¹⁹³The criminal penalties claimed only with action by the public prosecutor in competent ordinary courts.¹⁹⁴

4. Determination of Confusing Similarity of Trade Names under Ethiopian Law

4.1. Confusing similarity Test in Trade Names

Confusion can be product confusion or business confusion.¹⁹⁵ Trade names, while intended to reduce confusion, are sometimes paradoxically employed as instruments to create confusion among businesses.¹⁹⁶Use of identical or confusingly similar variations of trade names in commerce can create confusion of business. Jurisdictions use the term misleading or confusing to denote the same. Both misleading and confusion focuses on consumer beliefs and their demonstration require the observation of false consumer beliefs in conjunction with exposure to the name.¹⁹⁷In

¹⁹⁰ Civil Code, art 2162.

¹⁹¹ TRIPs agreement, art 61.

¹⁹² Sweden Trade Name Act, Chapter 4 art 1.

¹⁹³ TCCPP, art 43(3), '*Criminal Code of FDRE Proclamation No. 414/2004*', art 719.

¹⁹⁴ TCCPP, 37(1(b)).

¹⁹⁵ Sara Jane Suguitan, (n129)254.

¹⁹⁶ John Cross, (n9)97.

¹⁹⁷ Edward Russu, Barbara Metcalf and Stephen Debra, '*Identifying Misleading Advertising*' (1981) 8(4) University of Portland Business Faculty Publications120.

determining applications for oppositions or actions to restrain a business from carrying under the trade name, it is necessary to measure the confusion between the two trade names.¹⁹⁸ A trade name once legitimately used or registered, is protected against identical or confusingly similar variations by a third party likely to mislead the public.¹⁹⁹ Names to be in conflict need to be either identical or confusingly similar. A name is identical where it reproduces all the constituting elements, without any modification or addition. The similarity that will likely result to confusion isn't the degree contemplated by the law, but a question of fact and opinion.²⁰⁰ Having outlined the common law unfair competition and statutory infringement actions the general rule developed as to the standard to be applied in either case which is fundamentally the same.²⁰¹ The standard is the degree of similarity in directing public attention to the business in such a way that ordinary mass of purchasers, buying with ordinary caution, are likely to be confused.²⁰² It is whether persons who have dealt with one business person and who see or hear of the other business person might think they are the same.²⁰³

In Ethiopia the major objective of trade name registration provisions under the CRLP is explained in the CRLPLID explanation note as it is to avoid confusion of businesses due to identity or confusing similarity of trade names. A trade name identical or misleadingly similar to previously registered trade name for businesses in same or related field not registered, because it will be difficult to distinguish the businesses due to confusion on identity of different businesses creating a difficulty for the public to know which business the trade name denotes. Under the TCCPP a business person is in duty of affixing labels of the name of manufacturer, packer and importer on goods sold and of displaying a trade name at an overt place.²⁰⁴ Printing or labelling of trade names on certain product or packaging does increase the confusion of businesses.²⁰⁵ In the CRLP among the causes preventing registration of trade names is where a trade name is identical or misleadingly similar to a trade name or a business name previously registered in the same or related fields of

¹⁹⁸ Harold Burt, 'Measurement of Confusion between Similar Trade Names' (1924-1925)19 Ill LR320.

¹⁹⁹ Stefan Kuiper (n18)15.

²⁰⁰ Sara Jane Suguitan, (n129)253.

²⁰¹ George Rolston and Gerald Adler, 'A New Law of Corporate Trade Names' (1961)2 Osgoode Hall LJ199.

²⁰² Garland David, (n103)410.

²⁰³ VG Chowles, (n63)127.

²⁰⁴ TCCPP, art 18(1), 16 (2)(i).

²⁰⁵ Sara Jane Suguitan, (n129)252.

business.²⁰⁶The CRLPLID contain an annex of explanation note on trade names and business names that could guide experts in handling registration. The CRLPLID explanation note explains that determination of identity of trade names isn't a difficult task, and trade names are identical when no difference exists or identity determined by simply verifying the existence of the same active name within the trade name register.²⁰⁷When a trade name isn't identical it will be necessary to check whether confusingly similarity of the names. Trade names not identical may be misleadingly similar. Confusing similarity of trade names assessment in Ethiopia requires determination of similarity of the names themselves and determination of confusion.²⁰⁸The names must be both similar and misleading. The terms misleadingly similar used in the CRLP and confusingly similar used in the CRLPLID one to supersede the other. The directive recognizing the impossibility of providing clear cut standard in determining when trade names are confusingly similar, it states as a general rule, a trade name is confusingly similar to previously registered names when because of similarity between the two names, the public confuse one business for the other and believes they are the same.²⁰⁹

4.2. Factors for Comparison

In any communication the likelihood that a reader or a listener will confuse a word for another depends on several factors. Though trademarks identify goods or services and trade names technically identify particular business, similar fundamental principles apply.²¹⁰The criteria used to determine the confusingly similarity of indications are, with some minor differences, the same throughout the world.²¹¹It requires flexible analysis of different factors. From practice a number of comparison factors derived, and similarities in writing, sound, meaning, similarities in fields of business activities, strength of names (distinctiveness), intent of second user and consumer sophistication are major factors.²¹²It is also argued for supplementing those methods with

²⁰⁶ TRIPs agreement, art 16(1(a), 17(2).

²⁰⁷ CRLPLID Explanation Note (Translation Mine).

²⁰⁸ Ibid.

²⁰⁹ Ibid.

²¹⁰ Reaves Ellege, *'Trade Name Infringement as Unfair Competition'* (1952)40 California Law Review571.

²¹¹ IP Handbook, (n142)141.

²¹² Sara Jane Suguitan, (n129)255-260.

psychological measurements of consumers' reactions or survey evidence.²¹³ Generally the factors in determining confusing similarity in trade names are comparing the names and comparing their respective markets.²¹⁴

The key factor in determining whether trade names results in confusion is the comparison of the names themselves.²¹⁵ Comparison of the names is the most important factor where the root cause of confusion lies and if no similarity of names it may be unnecessary to weight other factors. Confusing similarity is the degree of similarity of the names that will likely result to public confusion.²¹⁶ A sign is similar where viewed as a whole, contains differences so insignificant that may go unnoticed by the average consumer.²¹⁷ The similarity of name measurement relies on existence of common catch words and distinctiveness.²¹⁸ A catch word is a component in the trade name that adds value to the name and perceived or supposed to help in distinguishing the business.²¹⁹

Assessing the similarity of catch words involves a flexible analysis of spelling and pronunciation as primary factors, and at times, includes consideration of similarities in meaning or connotation.²²⁰ In the assessment of name similarity, factors such as sights, sounds, and meanings are generally considered. The sounds of two names might evoke a confusingly similar impression when heard, while the letters or spelling of two names may create such an impression when seen. Additionally, words sharing the same meaning or connotation can generate a similar mental impression. It is noteworthy that the more common catch words a name contains, the less the capacity to distinguish.²²¹ In identifying common catch words it is necessary to have specific name comparison program software that contains all the names which may help in determining usage frequency and similarity. States use some software names which include certain words and that will automatically rejected while others that reach a certain score referred for manual

²¹³ Harold Burt, (n198)320.

²¹⁴ John Cross, (n9)124.

²¹⁵ Ibid123.

²¹⁶ IP Handbook, (n142)86.

²¹⁷ Tatiana Sokolova, (n4)266.

²¹⁸ Baker Ahmad and Zeid Ahmad, (n80)333.

²¹⁹ Ibid334.

²²⁰ John Cross, (n9)124.

²²¹ Baker Ahmad and Zeid Ahmad, (n80)334.

assessment.²²²If there are common elements, it is necessary to determine the extent to which these common elements are likely to lead to confusion having regard to measurement of distinctiveness. If a word is devoid of distinctive character, it lacks capacity to distinguish. Distinctiveness can be expressed in terms of the nature of words comprising the names.²²³It is important to distinguish between arbitrary or fanciful names and descriptive names where burden of proof in the first is much lighter.²²⁴In the first case no conceivable justification for manifest imitation and lesser degree of similarity of sound or spelling has been required to establish confusion.

The other factor to confusing similarity test is comparing their respective markets which include comparison on the basis of the nature of the business, the business address and the attention of the relevant public.²²⁵The existence of anything in common within the business activities or relative closeness of field of activity is important factor in determining nature of businesses.²²⁶It is also important to see the business address or access of the businesses to overlapping customer basis and the sophistication of the customers themselves. Though extended protection is promoted, competitive relationship of businesses still remains relevant in the assessment of confusion of businesses.

4.3. Factors for Determination Confusing Similarity of Trade Names in Ethiopia

Neither the CRLP nor the CRLR provide provisions explain the factors used in determining confusing similarity in trade names. The CRLPLID explains that confusingly similarity between the names isn't something determined in advance, but requires comparison, evaluation and understanding of the names at issue on case by case bases.²²⁷The directive recognizing the impossibility of exhausting the factors for determination of confusingly similarity of a trade name to previously registered names, it provide some factors for determination. In the directive the comparison factors for determination of confusing similarity of names includes similarity in words, similarity in sounds, similarity in meaning and similarities in trading activities they

²²² A Review of the Relationship, (n137)18.

²²³ Baker Ahmed and Zeid Ahmed, (n80)334.

²²⁴ George Rolston and Gerald Adler, (n201)195.

²²⁵ 'Brochure Trade Names' Vriesendorp and gaade<'https://vriesendorp.nl/en/services/trade-name-rights/>4, February 2022.

²²⁶ IP Handbook, (n142)143.

²²⁷ CRLPLID Explanation Note (Translation Mine).

represent.²²⁸The CRLPLID when it provides lists of factors for the assessment and determination of confusingly similarity of trade names seems that the finding of confusing similarity of names in Ethiopian trade name regime a question of law. But the expression with in the directive itself that claim for consideration of other factors other than the factors provided taking practical circumstances in each case²²⁹ makes the determination of confusing level of similarity a question of fact and opinion. The CRLPLID explains in assessments for similarity of the names, additions to the trade name and the change of sequence of words in the trade name may be confusingly similar.²³⁰Names having differences in words used may be similar in sound or meaning results in confusion.²³¹The directive providing the similarities of businesses represented by the concerned trade names as factor considered in the assessment of confusing level of similarity of the trade names, doesn't explain how the similarity in businesses represented by the concerned trade names determined. The CRLP, as amended, in defining Ethiopian business licensing categories directive, describe the issuance of a directive providing for a list or types of commercial activities for which business licenses are issued, by the MoTRI.²³²Therefore, in Ethiopia the types of commercial activities are determined by the Ethiopian business licensing categories directive issued by the MoTRI. The two similar trade names may be confusingly similar when the field of business they represent is the same or closely related.

In the preamble of the new CRLP and its amendment, the rationale for the repealing of previous legislation and also its amendment is the necessity to modernize, simplify, expedite, and enhance accessibility within the registration system. This includes the aim to bolster the registration service through the incorporation of contemporary technology. The MoTRI is tasked with the duty and responsibility of establishing and overseeing the implementation of a registration service that enables processes without physical presence, facilitated through information and communication technology.²³³The proclamation additionally mandates MoTRI, and regional bodies overseeing commercial activities to disseminate registration related information to the public through

²²⁸ Ibid.

²²⁹ Ibid.

²³⁰ Ibid.

²³¹ Ibid.

²³² CRLP, art 2(34) (as amended).

²³³ CRLP, art 4(17) as amended.

accessible information communication technology upon issuing registration certificates.²³⁴The MoTRI launched online trade registration and licensing system (OTRLS) e-trade plate form on January 30/2021 for online commercial and trade name registration to ease the registration process. The online platform helps checking data base of names. The availability of the data base for checking and verifying whether trade names have been previously registered reduce complaints in registration of trade names.²³⁵But the online systems capacity only gives results that seem related with the name requested for registration letting the determination of confusing similarity of the names manually, which is still subjective is a problem.²³⁶

4.4. Approaches of Comparison in Determination of Confusing Similarity

Identifying factors of comparison the necessary question is how comparison is done in order to decide whether the names are confusingly similar. In American jurisprudence, case law has evolved the dominancy test and the holistic test in determining whether or not imitation exists.²³⁷The dominancy test focuses on the similarity of the prevalent features of the competing names which might cause confusion.²³⁸Similarity is determined by the dominant portion in the names.²³⁹It is based on the assumption that the ordinary customer doesn't scrutinize the details, but retains a general impression.²⁴⁰In this test a name must be considered as it is encountered by the consumer as a whole as a matter of first impression and it is improper to analyze each portion alone. In the holistic test in determining confusing similarity of names focus not only on the dominant words but also taking into account other features and factual circumstances.²⁴¹The test mandates a study of the entirety of names in question which goes beyond the study of dominant features which includes factors such as consumer attitude toward the name considered.²⁴²It is based on carefully combine the specific circumstances, comprehensively take all relevant facts and factors into account and finally reach the conclusion.

²³⁴ CRLP, art 7(2) as amended.

²³⁵ Interview with Mr. Frew Mamo (n73).

²³⁶ Ibid.

²³⁷ Sara Jane Suguitan, (n129)246.

²³⁸ Ibid.

²³⁹ Irwin Alterman, (n114)181.

²⁴⁰ Sara Jane Suguitan, (n129)247.

²⁴¹ Ibid.

²⁴² Ibid257.

In Ethiopia trade name regime the CRLPLID on its explanatory note illustrate some comparison factors helps in assessment of imitation such as similarity in words, similarity in sounds, similarity in meaning and similarities in trading activities they represent. The directive also indicates the necessity of looking other additional factors of comparison taking in to account the circumstances of each case. But, in the directive, no clear indication is made whether the comparison done taking the dominancy portion of the trade name or holistically taking all the features and factual circumstances.

5. Conclusion

In this thesis, the researcher has explored various aspects, including a comprehensive examination of trade names, an analysis of the inherent rights associated within trade names, an assessment of the protective measures available, and a discussion on the enforcement mechanisms in case of infringements. The thesis concludes as follows:

First and foremost, the effective selection, utilization, and protection of trade names depends, among other factors, on having a comprehensive understanding not only of their significance but also of their differentiation from other key identifiers, namely business names and trademarks. Accordingly, a business name serves as the legal identifier for an individual trader or commercial entity, while a trade name concisely identifies the entirety of a specific seller in the marketplace; a trademark, on the other part, distinctly identifies specific goods or services. Accordingly, business persons formalize their status through commercial registration as it is means to gain recognition as business entities or traders, and these entities can communicate with clients through trade names and trademarks. These identifiers i.e. trade names and trademarks functions as shorthand means of associating with a particular seller and with a particular product or service respectively. Similar to what trademarks do, trade names play a fundamental role in advertising. Although the CRLP, the comprehensive rights and legal Protection, aims to distinguish between business names and trade names in terms of their intended functions, it isn't compressive enough to address other fundamental considerations such as the nature and scope of rights and the protected signs.

In Ethiopia, it is a legal obligation for any business person to use and register a trade name. The effect of trade name registration, as explained in the CRLP, is that it serves as prima facie evidence of entitlement to use that specifically recognized trade name. A trade name, unless

invalidated or cancelled, establishes the right to the name or ensures a judgment in favor of the registrant. In Ethiopia, registration is a mandatory requirement for trade names to claim protectable trade name right. Unregistered national trade names, no matter how well known they are, are entirely disregarded protection. Decisions by FTCCPT underscores that only business entities or trades having registered trade names can enforce the right in the trade name, while unregistered national trade names are denial of protection against acts likely to cause confusion. The contemporary practices in various countries provide both registration and establishment through use as methods of acquiring trade name right. In Sweden, for instance, trade names are governed by a separate trade name act, and a trade name exclusive right is acquired through both registration and establishment in the market, and reputation adds something to the extent of protection.

The CRLP provides benchmark requirements for refusing the registration of trade names which are fundamentally aimed at protecting the rights of third parties and the public in general. While the registration of trade names which are identical or misleadingly similar to the names of nations and nationalities is prohibited, the practice, particularly in the financial sector, explicitly shows use of trade names which are identical with names of nations and nationalities. In Sweden, the trade name act requires distinctiveness as important factor for registration and protection of trade names. However, the Ethiopian trade name regime isn't clear enough to understand whether distinctiveness is a requirement or not.

Internationally, under WIPO establishment convention, TRIPs Agreement and Paris Convention, trade names are recognized objects of intellectual property rights. However, in Ethiopia, the CRLP and its subsidiary legislations don't clearly recognize trade name as property right. Neither the Ethiopian Intellectual Property Office, the EIPO, establishment proclamation, conceptualizes trade name as IPRs. However, the HPR Legal and Justice Affairs Committee discussion minutes and the commercial code, suggest that trade names are indeed recognized as object of IPRs. It is possible to argue that the primary justification for protecting trade names in Ethiopia is an economic incentive. A trade name is a species of property created by legal regime. The property right on the trade name is the association created between the name and the business person using it, known as goodwill. The name with ability to facilitate sales has economic value which constitutes property. The right holder has an interest in the economic exploitation of the advertising message embedded in the name. The property right claimed in trade name is the

exclusive right which encompasses the right to use the name, the right to authorize its use and the right to exclude others from the use of the same or similar designation which is likely to mislead the public. In the Ethiopian trade name regime, however, there is a lack of clear provision specifically dedicated to explaining such exclusive trade name rights.

Though the approach to protecting trade names may vary among countries, methods such as opposition actions, removal actions, unfair competition actions, or infringement actions are commonly employed. It is suggested that the underlying reasons for protection of trade names is to protect owner's goodwill, ensure trade competition and to avoid consumer confusion. Moreover, promotion of fair dealing and protection of the purchasing public, and protection of individuals' property rights are justifications for trade name protection. Though it may be possible to argue that the CRLP incorporate the opposition and removal as protection tools, it neither defines trade name infringement nor provides for infringement action. Therefore, invoking trade name rights through infringement action is impossible in Ethiopia. In the new commercial code, it is stated that goodwill can be preserved by instituting proceedings for unfair competition. It may be possible to apply the unfair competition and consumer protection provisions in the TCCPP, and the civil code. Although it might be perceived that unfair competition and consumer protection provisions in the TCCPP, and the civil code, enforcing trade name rights through TCCPP or the civil code, shifts the focus from ownership rights inherent in trade names to the consumers protection and competition law which are designed from the perspectives of consumers welfare and promotion of competition in the market. The major purpose of trade competition and customer protection law is to ensure fair competition and to safeguard consumers' interest. The enforcement of trade name rights through unfair competition provisions, which require fraudulent intent, limits the extent of protection to economic competition. However, the central trade name register in Ethiopia aims to define the right in terms of nationwide benefit. In contrast, the Sweden trade name act has separate provisions that describe the exclusive property rights claimed in trade names and provide enforcement mechanisms through the cancellation and infringement actions.

Trade names avoid confusion of business, and conflict arises when names are either identical or confusingly similar. To determine conflicts, it is necessary to measure the confusion between the two trade names. Though determining identity isn't a difficult task, assessing similarity is more complex and difficult. The degree of similarity that will likely lead to confusion isn't explicitly

defined by the law; rather it remained a subjective matter factual appreciations and opinions. Countries develop standards and factors for comparison from the practical experiences. Similarities in writing, similarities in sound, similarities in meaning, similarities in fields of business activities, strength of names (distinctiveness), intent of second user, consumer sophistication and psychological measurements of consumers' reactions or survey evidence are among the major factors developed. In the CRLPLID explanation, similarity in words, similarity in sounds, similarity in meaning and similarities in trading activities they represent are provided as factors for comparison. Though the directive recognize flexible consideration of additional factors, the lists provided doesn't comprehensively contain those additional factors developed from practice. The Ethiopian trade name regime lacks clarity on whether distinctiveness helps in purpose of composing names and the determination of confusion. Moreover, it is unclear whether the comparison is done taking the dominant portion of the trade name or holistically taking all the features and factual circumstances. Though the MoTRI launched e-trade platform, beginning from January 30/2021, to help in checking and verifying the database of names, the system doesn't entirely eliminate the manual processes.

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