Registered Business Names Awareness among Engineering Outfits Owners in and around Benin Metropolis of Edo State, Nigeria

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Abstract
This study explores business owners’ understanding of the nature and purpose of registered business names in and around Benin Metropolis, Edo State in Nigeria. Market-place understanding of business identifiers, and of the interface between them, has been the subject of recent discussion among stakeholders. However, little direct research has been conducted in this area. The primary aim of this paper tends to assess the level of awareness and understanding of the rights and limitations associated with business name registration. This assessment will help the relevant agencies to identify any areas in which ignorance or error exist, and to gauge the need for initiatives to address the risks associated with a failure to understand the nature of business name registration. This study results would enable the Cooperate Affairs Commission to identify opportunities in which it would address confusions associated with business names and trademark rights, and strengthen the need for further provision or training services relating to business names. Overall, there appears to be a considerable lack of awareness accompanied by significant misconceptions. Of the 52% of the respondents who claimed to have registered with Cooperate Affairs Commission, 23.6% clearly believed that there was no need for registering their business because their businesses are either small or unknown. Also 76.8% misconstrue the concept of business name registration as same as right to trade under that name 74.9% of the respondent correctly held that business name registration protect consumers by allowing them to identify the owners of the business, with 12.7% believes that the statement is false while 12.2% are unsure.

Keywords: business name, engineering business outfit, business owners, registration, cooperate affairs commission

INTRODUCTION
Despite a clear and unambiguous specification of Section B, Subsection 652 through 672 of the Company and Allied Matter Decree 59 on the need for business name registration (CAPA, 1990), there still exist a serious misconception about business name and trade name registration among the general populace in and around Benin City. Business, company and domain name, and trademark each serve different purposes, involving different registrars, and confer different rights (Elias and Stim, 2010). The failure to recognize these differences can prove costly, if not disastrous, for business especially SMEs. At present the Nigerian Cooperate Affairs commission and other Government Agencies provide information resources to help people understand the nature of business identifiers. There is a concern, however, that a considerable amount of confusion may still exist. Subjective evidence suggest, for example, that there may be a mistaken believe among business owners that a business name confer proprietary rights similar to those conferred by a trademark, or that it offers immunity from infringement of another business’s registered trademark.

Business, company and domain names, and trade marks each serve different purposes, involve different registrars, and confer different rights (CAPA, 1990, Diamond, 2007 Diamond and Williams, 2001 and Elias and Stim, 2010). The failure to recognize these differences can prove costly, if not disastrous, for businesses, particularly Small and Medium Entrepreneurs’, (SMEs) especially in Engineering and Technical outfits. At present, no deliberate government policy is in place to help people understand the nature of business identifiers. There is concern, however, that a significant amount of confusion may still exist especially in the light of best practice required for business and trademark (see incorporator.com.au). In addition, we would assess the level of awareness and understanding of rights and limitations associated with business name registration.
METHODOLOGY
The simple survey approach covers virtually all forms (Sole Proprietorship, Partnership, Private and Public Limited Companies etc) was employed to survey existing business name registrants along major routes in Benin City and its environs (see figure 1). A self complete questionnaire was deemed to be the best way of eliciting information from business owners. With a business audience in mind, the length of the questionnaires was limited to allow completion in less than ten minutes. Group of students were mobilized to share questionnaires at the different areas of Benin City along different routes. The routes covered by a group of twenty (20) students each include:

i. Group 1- Wire road through Uselu-Lagos road down to University Main gate at Ugbowo
ii. Group2-Ring Road to Sapele Road stopping at Murtala Mohammed junction.
iii. Group 3-First East Circular Road
iv. Group 4-Ring Road to Agbor Park via Akpakpava
v. Group 5-Airport road
vi. Group 6-Ekewano Road
vii. Group 7-Murtala Mohammed Road
viii. Group 8-Benin-Agbor Road
ix. Group 9-Adesuwa junction by Sapele Road through Upper Adesuwa road, Etele Road
x. Group 10-from five junction through TV road down Silioko road.

Respondents were presented with a series of statements about business names which comprises of several facet of business name registration. Questions about the nature and purpose of the business registration process, the jurisdiction in which a registered name is valid, perceived rights and limitations, and the relationship between business name and trademark. The field survey dates was from 1st August 2010 to 1st December 2010.
Figure 5: The same business name cannot be registered to different owners in different states.

Figure 6: Register a business name with a business name office gives you the right to trade under this name.

Figure 7: If you plan to trade under a business name in more than one state, you must register that name in each state.

Figure 8: Business name registration protect business by stopping other businesses from using the same business Name for their product and services.

Figure 9: Business name registration protects consumers by allowing them to identify the owners of the business.

Figure 10 – Registering a business name means that Even if someone else already uses similar name for their product or service, you are free to operate without Infringing on their right.
DISCUSSION OF RESEARCH FINDINGS

Overall, there appears to be a considerable lack of awareness accompanied by significant misconceptions. From figure 3, even when a sizeable percentage 52% of the respondents has registered with Cooperate Affairs Commission, 23.6% clearly believed that there was no need for registering their business because their businesses are either small or unknown. And only 17.6% didn’t think there were any benefits in registering. It should be noted that the level of misunderstanding on this statement, that the same business name cannot be registered to different owners in different states is very high. More than 50% (actual percentage is 60.1%) of respondents incorrectly state that it is impossible for the same name to be registered to different owners in different states. Close to thirty percent 29.7% supplied the correct answer to this statement, while 10.1% where unsure.

Even though few believe there exist any benefit for registration, 76.8% misconstrue the concept of business name registration as same as right to trade under that name. It might be that because of the compulsory nature of registration leads Proprietors to believe that, since they cannot trade without a registered business name, it is the name itself that confers the right to trade. When asked to answer yes or no that one must register a business name in different states before trading in them, 43.9% of respondents agreed, 42.8% disagreed while 13.2% were unsure. 74.9% of the respondent correctly held that business name registration protect consumers by allowing them to identify the owners of the business, with 12.7% believes that the statement is false while 12.2% are unsure.

CONCLUSION

Although it is beyond the scope of this study to determine the extent of risk faced by business proprietors who do not fully understand the nature of registered business names, there is a strong case for education to enable businesses owners of the attendant benefit of business name registration. The research findings suggest that State and Government departments and agencies are a first port of call for information in this area, and the existence of discrete, well-established communication channels via the registration process should also facilitate communication.

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