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NIGERIA:

PROTECTION OF SERVICE MARKS IN NIGERIA — A NECESSITY

INTRODUCTION:

In Nigeria, matters concerning the registration of Trade Marks are governed by the Trade Mark Act 1965 now under chapter 436 of the Trade Mark Act Laws of the Federation 1990.

It is interesting to note that the Act does not provide for the registration of Service Marks.

Over the last eight years there has been a marked improvement in Nigeria's economic climate and with the growth of Foreign Direct Investment into the country there is a need for greater intellectual property protection, particularly for the services industry.

STATISTICS:

The flow of U.S Foreign Direct Investment (FDI) in Nigeria in 2002 was \$1.8billion, up from \$788 million in 2001. U.S FDI is concentrated in the Petroleum Sector.

More recently, Trade relations between China and Africa have taken a new and positive direction.

The most notable trade deals between Nigeria and China were made in July 2005 and involved a USD \$800 million crude oil sale deal between Petrochina International and the Nigerian National Petroleum Corporation (NNPC) for the supply of 30,000 barrels of crude oil per day to China.

In the first Forum on China-Africa Service Co-operation (FOCAC) in 2000, it was announced that China Civil Engineering would build a USD \$300 million highway in Nigeria.

In January 2006 China's top offshore oil producer CNOOC agreed to pay \$2.3 billion for a stake in a Nigerian oil and gas field, its largest ever.

In 2007, the Great Wall Industry of China shall launch a satellite in Nigeria. This deal is worth US \$ 200 million. Also in 2007, China Southern Airways commenced operations with direct flights from Lagos to Beijing; this now makes it more economical for business and personal travel.

China has also announced plans to establish an African Human Resources Development Fund to help African countries train more professionals in different disciplines.

In view of the just concluded and successful Presidential elections economic analysts forecast far greater FDI activity over the next ten to fifteen years, there is little doubt that a large proportion of the prospective incomers will be service companies.

It is interesting to note that Nigeria is a member and signatory to the World Intellectual Property Organisation, the Berne and Paris Conventions and TRIPS. More fascinating is the fact that Nigeria is the only prominent country in West Africa that is yet to promulgate Service Marks into its Trade Mark Act.

Therefore in order to encourage further FDI it is high time for all stake holders in the IP law community, in Nigeria, to pursue the introduction of Service Marks protection into Law.

This Article focuses on the importance of Service Marks and the need to introduce Service Marks into our Laws.

WHAT IS A SERVICE MARK?

A Service Mark can be described as a design, symbol, word, character, colour, shape, slogan which identifies a particular service of one's undertaking as distinct from those of another's undertaking.

Service Marks serve as a tool in business in aiding to build and maintain demand for that service, while enabling the consumer to identify and make decisions upon a recognised service.

Once a Service Mark is registered within a territory, it gives the brand owner an exclusive right of use, licence or the exclusive right to sell the **"MARK"**.

Registration of Service Marks forms an important part of any organisation's intellectual property assets, and can be vital in protecting the organisation's right in the event of any would be infringers.

The importance of Service Marks:

- The registration of a service mark provides adequate protection to the brand owner. In many countries, registration of the "mark" cures future intentions of the brand owner, especially when the brand owner is cautious about committing to marketing or development cost of his "mark".

- By registering a service mark, the owner will obtain legal rights that will prevent others from making unauthorised uses of conflicting design, symbol, word, character, colour, shape or slogan.
- In most countries, mere “use” of a Service Mark does not confer rights onto the brand owner. Therefore, if you adopt a Service Mark without registering it, you could be susceptible to anyone who registers a conflicting Service Mark after your “use” began. The general principle to be applied is “**first come first served**”. It is therefore imperative that brand owners register their Service Marks, otherwise failure to register might result in unnecessary cost and inconvenience of re-branding, and or possible damage claims.
- The common law action of passing-off may be relied on in certain circumstances, especially under instances where one party using a Service Mark conflicts with the “mark” of another. However, it is advisable that a Service Mark be registered rather than seeking to rely on passing-off rights which are usually complicated and expensive to prove. Generally, Passing-off rights tend to restrict owners to a particular locality, whereas a registered Service Mark gives broad rights across a whole territory, irrespective of whether the Service Mark has been used in the whole territory.
- Service Marks are unique to individual businesses. Service Marks are what your customers know you by and consequently they recommend you to others. Your brand or logo is your most valuable asset. Businesses usually would have invested a great deal of time and money in developing and marketing their services; and protecting your Service Marks means that competitors cannot exploit your hard work, or confuse customers by providing services under the same or similar name/symbol/or logo.
- Service Marks registration is vital for all businesses **regardless** of size.
- Registering a company does not give any protection against imitators, however, registering a Service Marks does.

In view of the aforementioned, the registration of Service Marks accords the “brand owner” the following protection:

- Avoid or minimise the stress and expense of Litigation. (The lack of confidence, particularly by foreign brand owners in the service industry, in the Nigerian legal system has often led to total forfeiture of IP rights).
- Statutory protection to the Public against would be infringers.
- Constructive notice to the public of the Registrant’s **claim** of ownership.
- Obligation on “second user” to ensure that that the “Mark” he chooses does not conflict with one already registered.

On the 19th of April 2007 the Honorable Minister for Commerce, via Regulation (Pursuant to section 45 (1)(b) of our Trade Mark Act CAP 436 Laws of the Federal Republic of Nigeria 1990), ordered that the class of goods under which Trade Marks may be registered in Nigeria shall now be extended from the current 34 classes to 45 classes, according to the manner and structure of the 9th Edition of the Nice Classification of goods.

Interestingly, although the Order does not provide for the registration of Service Marks in its real sense what it does is to extend the classification of goods and in essence it regards goods under classes 35 to 45 as “**intangible goods**”. Eventually we foresee a number of difficulties with this approach, but however expect that Service Marks shall be introduced into Nigerian Law by the more appropriate mode of introducing an enabling act or better still creating a fresh Trade Mark Act.

What is not in doubt is the fact that the Federal Government and IP Practitioners in Nigeria appreciate the importance of Service Mark protection and will almost certainly ensure the introduction of Service Marks in Nigeria via the appropriate channels, in the near future.

For now we await the Publication of an Official Gazette formalising the Order of the Minister and until such publication all applications at the Trade Marks registry shall not have any legal effect (section 45 (2) of the Act). However in view of the great rush to register Service Marks proprietors will be well advised to forward applications to the registry in order to gain priority over competing applicants.