

A NEW REGIME OF PROTECTION FOR SERVICE MARKS, PRODUCT SHAPES AND PRODUCT PACKAGING; A REVIEW OF AMENDMENTS MADE TO THE NIGERIAN TRADE MARKS ACT

On the 8th of February, 2023, President Muhammadu Buhari signed the Business Facilitation (Miscellaneous Provisions) Bill, 2022, into law. According to Section 1 of Business Facilitation (Miscellaneous Provisions) Act (hereinafter called the "Business Facilitation Act"), the Act was introduced to promote the ease of doing business in Nigeria, eliminate bottlenecks in commercial activities and procedures, and institutionalize all reforms to ease implementation. To fulfill this key objective, the Business Facilitation Act makes crucial amendments to relevant legislation that significantly impacts business or commercial activities within the country. One such legislation is the Trade Marks Act 1965. Paragraph 69 of the Schedule to the Business Facilitation Act defines a trade mark as:

- (a) *a mark used or proposed to be used in relation to goods or services for the purpose of indicating a connection between the goods or services and a person having the right either as proprietor or as a registered user to use the mark, whether with or without any indication of the identity of that person, and may include the shape of goods, their packaging, and combination of colours;*
- (b) *in relation to a certification trade mark, a mark registered or deemed to have been registered under section 43 of this Act:"*



When juxtaposed with the previous Section 67 of the Trade Marks Act, it is observed that Paragraph 69 of the Business Facilitation Act makes three profound amendments to Section 67 of the Trade Marks Act. *First*, the Act has now introduced a definition for the word "goods" to include services, and as a corollary, incorporates services into the definition of Trade Marks; such that, Trade Marks under

the Trade Marks Act now expressly admits usage or proposed usage, not just to goods, but also in relation to services. *Second*, whilst the definition under the former Section 67 of the Trade Marks Act defines Trade Marks essentially as indicating a connection in the course of trade to the proprietor's goods, the present definition does not include any reference to the phrase 'in the course of trade'. *Third*, the Act has broadened the definition of trade marks, as was previously defined in Section 67 of the Trade Marks Act, to include the shape of goods, their packaging, and a combination of colours. The implications of the above amendments will be discussed below under three headings:

1. EXPANSION OF THE DEFINITION OF TRADEMARKS TO INCLUDE SERVICE.

Under the former Section 67 of the Trade Marks Act, there was no reference to services in the definition of trademark – only goods. There was also no definition for goods in the Trade Marks Act; hence, there was no clear basis under the Trade Marks Act for extending references to goods under the Act, to services. As such, it was unclear whether the Trade Marks Act recognised and protected the use of marks in relation to services. Although the Minister for Commerce and Industry amended the Trade Marks Regulation in 2007 by introducing Classes 36 to 45 in respect of services, it has been constantly argued that the said classes were introduced ultra vires the powers of the Minister because the Trade Marks Act, particularly the former Section 67, did not envisage services or service marks, as it were.



THE RISKS AND EXPOSURE CAUSED TO BRAND OWNERS OF SERVICES MARKS IN THE PREVIOUS REGIME

The validity or otherwise of Trade Marks registered regarding services captured under a Class 35 to 45 was usually put in issue. Such that, in a trade mark infringement matter or opposition, or cancellation proceedings based on the Plaintiff's prior registration of a mark registered in any of the aforementioned classes, the Defendant or Respondent would usually argue that the Plaintiff's prior trade mark was unlawfully registered in respect of service under Classes 36 to 45. This is because the Minister did not have clear powers to issue service classifications under classes 35 to 45, and also due to the lack of reference to services in the

infringement section in section 5 of the Trade Marks Act.

Section 5(1) and (2) of the Trade Marks Act provides as follows:

"5(1)the registration of a person ...as proprietor of a trade mark...in respect of goods shall...give or be deemed to have given that person the exclusive right to the use of that trade mark in relation to those goods

5(2)...the right to the use of a trade mark given ...by registration...shall be deemed to be infringed by any person who not being the proprietor of the trade mark...uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion...in relation to any goods in respect of which it is registered..."

In view of the omission to statutorily recognize *services* as *goods*, a corollary argument often made in trade mark infringement cases relating to services is that the Defendant cannot be made liable for trade mark infringement because trade mark infringement under Section 5(1) & (2) was in respect of goods, and not services in view of the expectation of “tangibility of goods” when a “*trade*” mark is compared to a “*service*” mark. Hence, it became relatively mainstream for Defendants to raise a preliminary objection to challenge the competence of the suit on the ground that the court lacked jurisdiction to entertain the Plaintiff’s claim based on a service mark.

The result of the above was that service providers/organisations, such as fintech, financial institutions, hospitality service providers, telecommunications, and so on, even if they could register their marks under the service classes, still found it difficult to enforce their rights in their registered trademarks, particularly when the infringer challenged the validity of the said mark. A further implication is that brand owners now had to file trade mark applications in class 16 regarding printed articles used in rendering services as a fallback enforcement option under the Trade Marks Act.

Indeed, judicial intervention on the above point also seemed to underpin the position that the Trade Marks Act could not be relied upon to protect marks used in relation to services. For instance, in the unreported case of **Ramhead Industrial & Commercial Co. Ltd v. Ekulo International Ltd & 2 Ors**¹, Justice M.B Idris of the Federal High Court in defining Trade Marks held as follows:

“... (iii) the use (of Trademarks) must be in relation to goods. The act in its present form does not cover service marks (marks used by service organisations to distinguish their services from those of others)..”
(Parentheses supplied by us for context)

Hence, the amendment introduced by the Business Facilitation Act is most imperative, particularly in view of the significant contribution of the service industry to Nigeria’s Gross Domestic Product. By defining “goods” to include services and expanding the scope of Trade Marks to include marks used in relation to services, there is now no basis for mounting a general challenge to the validity of marks registered regarding services. Fintech entities, Telecommunications Service Providers, and other proprietors of marks registered and used in respect of services can now pursue and enforce their rights in those marks against infringers of same, with access to the whole gamut of protection accorded to proprietors under the Trade Marks Act. Naturally, objections to the jurisdiction of the Federal High Court to entertain Infringement and Passing off claims regarding service marks will no longer be sustainable on this point.

¹ Suit No: FHC/L/CS/256/2012 unreported, delivered 7/6/2017.

2. REMOVAL OF THE PHRASE “IN THE COURSE OF TRADE”.

The former Section 67 of the Trade Marks Act provides as follows:

“except in relation to a certification trade mark, a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person having the right either as proprietor or as a registered user to use the mark, whether with or without any indication of the identity of that person and means, in relation to a certification trade mark, a mark registered or deemed to have been registered under section 43 of this Act”

Under the former section 67 of the Trade Marks Act, one of the salient functions of Trade marks was that it should indicate the origin of a product manufactured, distributed for sale, or intended to be manufactured or distributed for sale in Nigeria. Put, a Trade Mark was supposed to be used commercially in Nigeria to qualify as a trade mark. In **Ferodo v Ibet** (2004) 5 NWLR (Pt. 866) 317, the Supreme Court has held that the “*essence of a trade mark is that it indicates a connection in the course of trade between the goods and some person having the right to use the same*”.

The implication of the phrase “*In the course of trade*” was considered in the English case of **Aristoc Ltd v Rysta Ltd** (1945) RPC 65, where the English Court of Appeal, in interpreting Section 68(1) of the English Trade Marks Act², held that the trade mark “Rysta” had not been used in the course of trade, because the Applicant had only applied it to socks which it repaired, but did not manufacture or sell in England. Hence, the Applicant’s “Rysta” was held not to be a trade mark. Ergo, under the previous Section 67 of the Trade Marks Act, the validity of Trade Marks registered and used by charitable organisations, and incorporated trustees in respect of goods or services not offered commercially to members of the trading public, could be challenged on the basis that they did not indicate any connection to the proprietors *in the course of trade*.

With the present amendment, however, there is no requirement for the Trade Mark to indicate any connection with the proprietor in the course of trade. It is enough that the trade mark indicates the origin of products or services, even if these are not offered commercially to members of the public. Hence, incorporated trustees, charitable organisations, and even retail services can have valid registrations for trade marks which they apply to goods or services that are not offered in trade. It is however, imperative to note that it is still a requirement, under Section 5(2) of the Trade Marks Act to show, in an Infringement action, that an infringer has used the Trade Mark *in the course of trade*.

²²² *In pari materia* with the former Section 67 of the Trade Marks Act.

3. REGISTRATION OF PRODUCT SHAPES, PACKAGING, AND COMBINATION OF COLOURS.

The amended Section 67 of the Trade Marks Act now confirms the registrability of product shapes, packaging, and combination of colors. Under Section 9 of the Trade Marks Act, such product shapes, packaging, and combination of colours³ is required to qualify as distinctive marks to be registrable. They must either be inherently distinctive or be adapted (through factual distinctiveness) to distinguish the goods and services of the proprietor from that of other persons. They must not be common to trade in respect of the goods for which they are registered.⁴

By virtue of Section 25 of the Trade Marks Regulation, it is expected that an applicant for registration of such trade marks would indicate the representation of the three-dimensional shape of goods, packaging, or colour on the application form for submission. Specifically in respect of combination of colours, this representation must be precise, and clearly depict the form of the mark as it would be applied to, or in relation to the relevant goods or services.

RECOMMENDATION AND CONCLUSION

The amendment of the Trade Marks Act by the Business Facilitation (Miscellaneous Provisions) Act, 2023, is most commendable, with the potential to generate a positive and substantial impact on international trade and investment. The amendments to Section 67 of the Trade Marks Act now endorses and confirms the statutory protection conferred on service marks as well as shapes of goods and product packaging. This aligns Nigeria with the comity of nations under the Paris Convention, as well as the Agreement on Trade related Aspects of Intellectual Property Rights (TRIPS Agreement, 1994), which recognizes the protections now endorsed by these amendments.

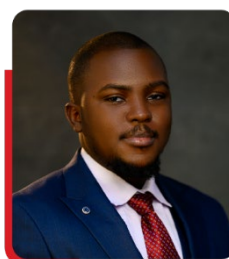
It is recommended that consequential amendments be made to the Trade Marks Regulations to reinforce and support the broader rights recognized under the amended Section 67 of the Trade Marks Act – even as we await a large scale amendment of the extant Trade Marks Act.

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³ Not a single colour, but combination of colours.

⁴ *Ferodo Ltd v Ibeto Ind. Ltd (supra)*

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