

Jumping the Gun on Service Marks!

Introduction

The innocent salvo of a gun usually signifies the beginning of a race and if a contestant moves before the shot is fired, he is recalled and cautioned by the umpire before the race is restarted. A second false start inevitably disqualifies the competitor. The same principle holds true for any practice or procedure that requires a person to refrain from taking or instigating an action until legislation permitting that action is properly enacted, otherwise an undue advantage arises in favour of the instigator to the detriment of those who observed the law.

This analogy serves to provide the background to the present debate amongst Intellectual property practitioners and businessmen alike regarding the registration of service marks.

In simple terms, a trademark or service mark is the indicia used by a business usually a word, name or logo to identify its products or services e.g. sm *FedEx* for courier services or sm *Vodafone* for telecommunication services. Such use of indicia may be through advertising in magazines, newspapers, on television or the World Wide Web or placed on the manufactured product to distinguish that particular product or service from those of its competitors. Registration of a service mark affords its proprietor several commercial advantages including the exclusive right to use the registered mark and royalty income derived from the use of the mark by third parties.

Whilst Trademark legislation was introduced into Nigeria by virtue of the Trademarks Act 1938, ("**the Act**"), the law for the registration of service marks, admittedly a recent phenomenon is yet to be addressed by the Nigerian legislature. The void of a service mark law was attempted to be filled by a recent ministerial directive but which now appears to have triggered a misapprehension of its consequences which could render incalculable loss to businesses all over the country.

On 19th April 2007, the Minister for Commerce purportedly acting under the powers conferred on him by Sections 42 & 45(1)(b) of the Act, issued a regulation ("**the Regulation**") purporting to extend the classification of goods under the Fourth Schedule of the Trade Marks Regulations to include service marks "according to the manner and structure" of the 9th Edition of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks.

The extension is as follows:

35 – Advertising, Business management, Business Administration, Office functions.

36 – Insurance, Financial Monetary Affairs and Real Estate Affairs.

37 – Building Construction, Repair and Installation services

38 – Telecommunications

39 – Transport, Packaging and Storage of goods, Travel arrangement

40 – Treatment materials

41 – Education, Providing of training, Entertainment, Sporting and Cultural Activities

42 – Scientific and Technological Services and Research & Design relating thereto, Industrial Analysis research services, Design and development of computer, Hardware and Software

43 – Services for providing food and drinks, Temporary accommodation

44 – Medical services, Veterinary services, Hygienic and Beauty care for human beings or animals, Agriculture, Horticulture and Forestry services.

45 – Legal services, Security services for the protection of property or individual, personal and social services rendered by others to meet the need of the individual.

The extension is intended to make marks used or proposed to be used in respect of the services contained therein registrable as trade marks under the Act. We are aware that several of our colleagues, in reliance on the Minister's Regulation, are accepting instructions and indeed encouraging clients to register service marks. Oddly enough the Registrar of Trade Marks is accepting same for registration albeit with a caveat that such applications will not be advertised, (a precursor to registration) until relevant legislation is enacted.

The Validity of the Minister's Regulation

The Minister in issuing the Regulation was supposedly acting under the powers conferred on it by Sections 42 & 45(1)(b) of the Act.

Section 45 (1)(b) empowers the Minister to make regulations "for classifying goods for the purposes of registration of trade marks" while Section 42 confers on him the power "to make regulations as may be necessary to empower the Registrar of Trade Marks to adapt the register of trade marks to any revised classification of goods. "

Neither section appears to confer on the Minister the power to **extend** the classification of goods under the Fourth Schedule. .

It is beyond cavil that legislation must be interpreted as stipulated, rather than as it ought to be and where the language of a statute is clear and unambiguous, it must be interpreted in its strict and ordinary sense. The language in Sections 45(1) (b) and 42 appears explicit and unambiguous in all respects.

Under Section 45(1) (b), the Minister may only make regulations **for the classification of goods** (emphasis mine) for the purpose of registration. Thus, the Minister's power to make regulations under that subsection is only in respect of "goods" and not "services".

My assertion is supported in the very definition of a trademark as contained in the Act, which is reproduced below;

"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 a 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" (emphasis mine). By Section 4 of the Act, a trade mark must be registered in respect of **particular goods or classes of goods.**" (Emphasis mine)

It is conspicuous from the above definition that for a mark to qualify as a trade mark and thereby registrable, it must relate to "goods" and its purpose must be to "indicate a connection in the course of trade between the goods and some person." Goods are not services and service marks are not trade marks.

Thus, while the Minister may make regulations for the classification of goods for the purpose of registration, the Minister cannot in my view extend the classification to include marks which are not registrable under the Act. Doing so clearly amounts to an Executive attempt to amend the Act and thereby usurping the constitutional function of the legislature.

It has also been argued in some quarters that "goods" can also be intangible and since the Act does not define "goods" the Minister may properly classify the intangibles as goods for the purpose of registration. In response to this proposition, it is an established legal principle that where specific matters are expressly mentioned in legislation, the legislation must be construed as excluding those matters not expressly mentioned and as mentioned earlier, a law must be interpreted as it is and not as it ought to be. It follows therefore that should the legislature have contemplated "goods" to include services or intangibles and "trade marks" to include service marks, the Act would have stated so in express terms. In any event, the power conferred by Sections 42 and 45(1)(b) on the Minister does not include the power to interpret the Act nor to extend its meaning.

In this regard, it is doubtful whether there is any other democratic country in the world where a trade mark is construed by administrative fiat to have the same meaning as a service mark. Even, in the United Kingdom from where Nigeria inherited its Trade Marks legislation, service marks were not registrable until its parliament enacted the Trade Marks (Amendment) Act of 1984.

At this juncture, I would like to point out that the 9th Edition of the Nice Agreement which the Minister purportedly attempted to model his classification after, clearly distinguishes between trade marks and service marks. I might add that by law any

regulation made by the Minister under Sections 42(1) and 45(1) (b) is of no effect until published in the Federal Gazette. We are reliably advised that the relevant Gazette is yet to be published.

If it is accepted that the Minister's actions are ultravires, it leads one to query the essence and effect of accepting and continuing to expedite instructions for the registration of service marks.

We understand that those in favour of legitimising the practice justify their actions on the premise that their clients' applications would have priority over competing Applicants when service marks finally receive legislative backing. This is based on the procedural fact that a mark when registered is registered as of the date of the application.

This argument is easily faulted by the legal principle that all acts done or decisions made pursuant to a void regulation are void ab initio. It therefore begs the question as to the underlying legal basis for the continuing receipt of service mark applications by the Registry? It appears that practitioners in support envisage the passing of an *ex post facto* law. The objective of an *ex post facto* law is to retroactively change the legal consequence of acts committed or the legal status of facts and relationships that existed prior to the enactment of the law.

Retroactive laws are generally regarded as a violation of the rule of law and are in any event, construed restrictively by the courts. Secondly, a law having such a concomitant effect would be contrary to public policy in that it would visit unpardonable injustice upon those of who have resisted the temptation to secure undue advantage and have adhered to the rule of law. Surely they should not be prejudiced by any form of retroactive action merely because of their compliance with prevailing law.

Conclusion

Given the recent but significant increase in commercial activity in Nigeria, there is no gainsaying the need to protect service marks by having them registered. As desirous as this may be though, it behoves the regulators and the private sector to proceed in accordance with the rule of law and due process, by not ignoring the obvious for the sake of profit. We all crave for the work and the benefits that would inevitably arise with the introduction of service marks, but pray, let's start on an even and ordered keel.