Recent Developments in Intellectual Property Law in Nigeria

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ABSTRACT

Key Point - This article provides an overview of the developments in the field of Intellectual Property (IP) in Nigeria and highlights key issues in 10 recent judgments on IP Law in Nigeria. The cases are organized thematically according to the type of Intellectual Property Rights (IPRs) protected under the Nigerian legal system such as trademarks, copyrights, patents, and designs. The decision to pen this Article is borne out of a conversation with a colleague in New York, who seemed surprised to learn that I had worked as an IP lawyer in Nigeria. My colleague was aware of the existence of laws on IPRs in Nigeria but he confided that he thought IPRs were not given serious consideration or enforcement taken seriously, in the event of an infringement of an IPR. Although, I was not too surprised by the line of thinking, especially because it was not the first time I had heard such views expressed, I decided that there was something I could do about it, hence this article.

Practical Significance - To provide a practical insight into the laws and practice of IPR in Nigeria through the review of decided cases & reported judgments. Within the limits of candor, brevity and clarity, I have attempted as much as possible to summarize the cases reviewed.

Key words - Copyright, Designs, Intellectual Property, IP, IPRs, Nigeria, NAFDAC, Trademarks, TRIPS, Patents, WIPO, WTO.

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1. A Brief Introduction to Intellectual Property Law

The Trademarks Act of the Federal Republic of Nigeria (the “Act”) was enacted in 1965. Under the Act, the owner of a trademark generally has the exclusive rights to the use of the trademark in relation to their goods, subject to certain exceptions. In what amounts to a tacit admission of the value of IP to commercial enterprises, in terms of enhancing revenue and profits, the Federal Government of Nigeria decided to conform its IP laws to international standards by becoming signatory to several international treaties and conventions such as the Berne Convention, the Trade Related Aspects of Intellectual Property (TRIPS), and domesticating same into local legislation. Nigeria is also a member of the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO). Membership of these organizations strengthened Nigeria's IP credentials and has resulted in international conglomerates such as the Coca-Cola Company, GlaxoSmithKline, Nestle, to mention a few, registering their trademarks in the trademarks registry in Nigeria.

Copyright law and practice in Nigeria is regulated under the Copyright Act. Although Nigeria does not operate a centralized system of registration of copyrights, the statutory body empowered to maintain an effective data bank of applicable works and their owners is the Nigerian Copyright Commission. Under the Copyright Act, literary, musical, artistic works, cinematography films, sound recordings and broadcasting programs are eligible for copyright protection, provided they are original works. Copyright gives the artist or musician the exclusive right to control the doing of certain specified acts in respect of the whole or substantial parts of the work either in its original form or in any form recognizably derived from the original, subject to certain statutory exceptions.

Patents and designs are protected under the Patents and Designs Act (the “Patent Act”). The Patent Act deals with the definitions, rights and registration of patents and designs. The purpose of the Patent Act is to exclude the whole world, apart from the patent holder from production, usage, importation, sale and storage of the patented product without the holder's licence. The life span of the patent under the Patent Act is 20 years.

2. Recent Cases on IP Laws in Nigeria

(a) Trademarks and Passing off

Alliance International Limited v. Saam Kolo International Enterprises Limited. The Respondent (Plaintiff at the Federal High Court) brought an action against the Appellant (Defendant at the
Federal High Court) seeking damages as well as an injunction against the Appellant and his agents/officers, for the infringement of two of the Respondent’s registered trademarks. The goods covered by the trademarks in question were shoe protectors described as “step and “guard”, which the Appellant registered in Nigeria on behalf of a foreign principal in 1990. The Appellant on the other hand, claimed to have a certificate of registered design in respect of heel protectors also called “step”. The Respondent had previously instituted a suit at the Federal High Court seeking the nullification of the certificate of design issued to the Appellant in respect of the Appellant’s heel protectors. The trial court found in favor of the Respondent. Dissatisfied, the Appellant filed an appeal. In delivering its judgment, the learned Justices of the Court of Appeal considered the concept and definition of a trademark as contra distinguished from a design. In doing so, the learned Justices found that neither certificate is superior to the other but that they are issued for different purposes and serve different functions. The submissions of learned senior counsel for the Respondent in that regard were therefore upheld. The Court of Appeal further held that the Appellant’s contention that the use of the Respondent’s trademark was covered by its certificate of design was without merit.

Virgin Enterprises Ltd v. Richday Beverages (NIG) Ltd. The Appellant was a company incorporated in the United Kingdom and a member of a group of companies described as “The Virgin group of Companies” founded by Sir Richard Branson with names starting or incorporating the word “VIRGIN”. The Appellant is the registered proprietor of the trademark “VIRGIN” registered in Class 32 in respect of Beer, ale, porter, mineral, aerated waters and other non-alcoholic drinks, syrups and other preparation for making beverages. The Appellant contended that it and other companies in the Virgin group of companies had extensively used and advertised the trademark VIRGIN in many countries including diverse commercial endeavors such as operation of Virgin Atlantic airline and the manufacture and marketing of “Virgin Cola”. The Appellant claimed further that it had also adopted the red color as its color with the trademark “VIRGIN” used in color red or white color against a red background. The Respondent was a company incorporated in Nigeria. The Respondent produces and marketed bottled water branded as “Virgin Table Water”, also printed in red. The Respondent had applied in 1999 to the Federal Ministry of Commerce and Tourism for registration of VIRGIN table water bottled as a trademark and was issued with an acceptance letter. The Respondent also registered Virgin “Bottled” water with the National Agency for Food and Drug Administration and Control (NAFDAC), and had been selling the product all over the country since 1999. Since the registration of the Appellant’s trademark, the Respondent
had continued to produce and sell in the market, table water bearing a label with the name “Virgin”. The Appellant (who was the Plaintiff in the High Court) had commenced a suit seeking an injunction to restrain the Respondent (Defendant) and its directors and officers, from infringing the Appellant’s registered trademark through the sale of bottled water not of the Appellant’s manufacture or merchandise. The Appellant also sued the Respondent for passing off or attempting to pass off bottled water branded VIRGIN, not produced by the Appellant, as a product of the Appellant and claimed for damages.

The Appellate court distilled the Appellants claims into two issues. The first was whether the Appellant has the exclusive preserve to the use of the word “Virgin” by virtue of its registration as a trademark and the second, whether the use of the word VIRGIN on the label of the Respondents’ table water product constitutes an infringement of the trademark registered by the Appellant. With regard to the first issue, the Appellate court found in favor of the Appellant. With regard to the second issue, the court held that an average man is likely to be confused into believing the product labeled “Virgin Table Water” is a product of the Appellant. The court therefore concluded that the Appellant had shown that the Respondent infringed on his trademark, and granted an injunction restraining the Respondent and its directors and agents from infringing on the Appellant’s trademark through the use of the word VIRGIN in connection with the production, and sale of bottled water not of the Appellant’s manufacture or merchandise. The court was quick to point out that the right vested on a proprietor of a trademark is not by long use of the product but by registration.

**International Tobacco (NIG) Ltd v. British American Tobacco (NIG) Ltd**

British American Tobacco (NIG) Ltd and Benson & Hedges (Overseas Ltd) (referred to as the Plaintiffs/Respondents), had instituted this action against International Tobacco (NIG) Ltd and two others (referred to as the Defendant/Appellants), in the Federal High Court in Nigeria. The Federal High Court held that even if the gold color on the cigarette pack of the Plaintiffs had not been expressly registered, the color had acquired distinctiveness since it had been in use for about 33 (thirty-three) years. Hence, the subsequent use of the gold color for a similar product by the Defendants was an infringement of the proprietary rights of the Plaintiffs. The court however held that the infringement did not affect the goodwill of the Plaintiffs’ product since evidence showed that the consumers of the Plaintiffs’ cigarettes were not deceived by the cigarette packs. Dissatisfied with the judgment of the lower court, the Defendants/Appellants filed their Notice of Appeal. The Court of Appeal dismissed
the appeal as lacking in merit and affirmed the decision of the lower Court.

**Ferodo Ltd v. Ibeto Industries Ltd**<sup>xv</sup>. The Appellant’s trademark “Ferodo” was used for marketing automobile brake pads and linings. The representation that accompanied the Appellant’s application for registration gave the name of the trademark as “Ferodo”. The representation was a red rectangle, at the upper end of which was a smaller black rectangle, inside which the name “Ferodo” was printed in white and the lower end of the said red rectangle ran a black and white checkered strip. The application for registration did not specify that registration was sought for the accompanying device or design. Registration was granted for the trademark “Ferodo” without the garnishing. However, the trade dress of the Appellant’s goods comprised the word “Ferodo” and all the garnishing contained in the representation. The Respondent subsequently introduced into the market, its own brand of brake pads and linings, which it marketed under the trademark “Union”. The Appellant contended that the trade dress of the Respondent’s “Union” was similar to the trade dress of its “Ferodo”. The Appellant sued for statutory infringement and passing off for the Respondent’s purported infringement of its registered trademark. The Court of Appeal held that what the Appellant registered was “Ferodo”, and that where the proprietors decided to garnish a trademark with other colorations and devices which make it appealing and decorative, it cannot be assumed that the fanciful and ornamental characters which color the package form part of the trademark. In the absence of registration by the Appellant, the alleged use of the trade dress by the Appellant was held by the Court not to give them monopoly over the use of red cardboard paper. Thus the action failed. In the absence of registration of a trade dress, a statutory action for infringement or statutory passing off cannot be sustained. Note however that this does not preclude a common law action for passing off.

In an earlier decision i.e. **Ayman Enterprises Limited v. Akuma Industries Limited**<sup>xvi</sup>, the core issue raised was whether the Federal High Court had jurisdiction to hear cases founded on passing off of a unregistered trademark. The Supreme Court held that the Federal High Court, which has jurisdiction over IP cases in Nigeria, does not have jurisdiction on actions in passing off arising from unregistered trademarks.

The above decision was highly criticized and many legal practitioners expected a review of the courts decision in this case and further review and interpretation of the provisions of Section 3 of the Trademarks Act.

As expected, the Supreme Court re-examined the provisions of Section 3 of the Trademarks Act<sup>xvii</sup> in the later case of **Omnia Nigeria Limited v. Dyke Trade**
The parties in this case were both limited liability companies. Sometime in 1989, the Plaintiff initiated a trading venture with an Italian company to manufacture grinding stones for the washing of terrazzo floors. The Plaintiff adopted the trademark “Super Rocket” for the grinding stones which it registered in Nigeria in Class 19 with effect from 10th October 1991 and the trademark was inscribed on all the grinding stones ordered and supplied to the Plaintiff. The Plaintiff had in the course of the trading venture sold substantial quantities of “Super Rocket” grinding stones all over Nigeria and had acquired substantial reputation and goodwill in the trademark. In December 1992, the Defendant imported another consignment of grinding stones branded “Super Rocket” and distributed and sold them. The Defendant subsequently imported another set of grinding stones branded “Super Rocket”, but the Plaintiff obtained an Anton Piller Order against the Defendant. The Plaintiff brought an action against the Defendant seeking to restrain the Defendant and its Directors/Officers from infringing the trademark “Super Rocket” and from passing off or enabling others to pass off grinding stones used for the purpose of terrazzo floors inscribed with the trademark “Super Rocket” not being of the Plaintiff’s manufacture, as that of the Plaintiff. The Supreme Court held that the Federal High Court has jurisdiction to hear and determine cases of passing off, whether or not these cases arise from registered or unregistered trademarks.

(b) Copyrights

Music Copyright Society (NIG) Ltd/GTE v. Nigerian Copyright Commission. The Court of Appeal in a unanimous decision pronounced that the Musical Copyright Society of Nigeria (MCSN) cannot lawfully perform the functions of a collective management organization (CMO) or collecting society, without the approval of the Nigerian Copyright Commission (NCC) and that MCSN lacked standing to initiate an action in court in exercise or defense of the rights vested in it since it was performing the functions of a collecting society without the approval of the NCC.

Ubi Bassey Eno v. Nigerian Copyright Commission. The Appellant who was the 1st accused at the Federal High Court, with two others i.e. Mr. Otu Bassey Eno (2nd accused) and Digital Entertainment Television (3rd Accused) were arraigned before the Federal High Court, on the grounds that they had in their possession, let for hiring, and also subsequently distributed for commercial purposes two Multi-choice Satellite decoders and smart cards, being equipment for purposes of illegally re-broadcasting of whole or substantial parts of Multi-Choice Programs in which copyright subsist in favor of Multi-Choice Nigeria, without the consent or authorization of copyright owners, contrary to and punishable under Section 18 of the Copyright Act. The
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trial Judge convicted the Appellant and the 3rd accused but the 2nd accused was discharged and acquitted. Unhappy with his conviction and sentence, the Appellant appealed to the Court of Appeal. The Court of Appeal affirmed the decision of the trial court and therefore dismissed the appeal.

(c) Patents

Rev. (Dr.). C.J.A. Uwemedimo v. Mobil Producing (NIG) Unlimited \( ^{xxii} \). The Appellant’s filed a claim for the infringement of its letters patent and maintained that they are the true and statutory inventors of the products of letters of patent No. RP13522 of August 5, 1999. The Court of Appeal held that having applied for the patent and Patent Certificate No. RP13522 was issued; the Appellant’s became the registered Patentee in the invention called Anti-Corrosive Special Paint for Q.I.T (Transteel Blue, White Enamel Q.A.D.) with effect from August 5, 1999. According to the Court of Appeal, the right to the patent in the invention will be vested in the Respondents if there is a contract to that effect. Since the Appellants alleged that there was an oral contract but the Respondents denied this allegation, the right to the patent in the invention will reside in the Appellants who are the statutory inventors and any infringement by the Respondents or any other person became actionable at the instance of the Appellants as from August 5, 1999.

(d) Designs

Uzokwe v. Dansy Industires (NIG) Ltd \( ^{xxiii} \). The Plaintiff claimed that he designed a “kitchen plastic container”, which design was registered with effect from March 5, 1991 under No. 4464. A certificate of registration was issued in favor of the Plaintiff. Shortly after the registration of the design, the Plaintiff started producing plastic containers according to the registered design. The Plaintiff alleged that within two months of the registration of his design, he discovered that the Defendants were producing plastic containers which are very similar to his plastic containers. The Plaintiff therefore sued, praying for an injunction as well as damages against the Defendants. The defendants contended that the design registered by the Plaintiff was not new at the time the application to register it was filed. They argued that therefore, the design ought not to have been registered in favor of the Plaintiff. In this regard, one of the defendants claimed that it had been producing plastic containers of the design registered by the Plaintiff since 1987 and tendered in evidence, documentary proof of their production and sale of plastic containers. The trial court rejected the Defendant’s contention that they have been manufacturing and selling plastic containers of the same design as that in the registered design, prior to the date the plaintiff applied to register his design on the grounds that the Defendant’s did not tender in evidence the “design” of the alleged identical design. Ironically, the
trial judge also held that since on an external examination, the Defendant’s product was similar to the Plaintiff’s product, both must have been made from the same design and as such, the Defendant infringed the Plaintiff’s right in his registered design. The injunction was therefore granted and damages were awarded in favor of the Plaintiff. When the case went on appeal to the Court of Appeal and subsequently to the Supreme Court, the courts held that a Plaintiff cannot succeed in a claim for the infringement of his registered design by simply showing that the offending article manufactured by the Defendant visually resembles the article which he has manufactured in accordance with his registered design. The Court further held that the Plaintiff must produce the design (drawing) from which the allegedly infringing article was made to enable the court compare that design with the design registered by the Plaintiff. The Court therefore placed the burden of proof on the Plaintiff and not the Defendant. The Defendant is not required by this decision to produce his plans and drawings.

I find this decision problematic. The consequence of this decision is that the Plaintiff in order to succeed in a claim for infringement of his registered industrial design must produce in evidence, not only his own drawings but those of the Defendant (who may not have registered or made any attempt to register it). It places Plaintiffs in a bad position because if those drawings are not available to the public the Plaintiff cannot successfully institute an action for infringement of his registered design.

3. CONCLUSION
Nigeria has not only enacted legislations to strengthen the legal framework in the area of IPRs, but the courts are also playing a crucial role in enforcement of these rights. Admittedly, as with all other nations, there are shortcomings to achieving an effective legal framework for the enforcement of IPRs, but these shortcomings should certainly not take away the efforts that are being made to protect IPRs in Nigeria.

It is my expectation that the above exposition would create the intended awareness to entrepreneurs and foreign investors, that IPRs are not only recognized proprietary rights in Nigeria, but are also sufficiently protected by body of laws. Nigeria has a dynamic judiciary that has demonstrated its willingness and ability to enforce these rights in order to protect businesses and encourage foreign direct investment.

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i The Trademarks Act Cap T13 Laws of the Federation of Nigeria 2004

ii Section 5 of the Trademarks Act

iii Nigeria signed the Berne Convention on September 14, 1993

iv Nigeria signed the WTO agreement in 1994 and became a founding member on January 1, 1995

The Copyright Act Cap C28 Laws of the Federation of Nigeria 2004

Section 5(1) of the Copyright Act

The Patents & Designs Act Cap P2 Laws of the Federation of Nigeria 2004

Section 6 of the Patents & Design Act

Section 7(1) of the Patent & Designs Act

(2010) 13 NWLR (Pt. 121) C.A. 270

Decided May 22, 2009 at the Court of Appeal, Lagos

NAFDAC is a branch of the Federal Ministry of Health in Nigeria, with the mandate to regulate and control quality standards for Foods, Drugs, Cosmetics, Medical Devices, Chemicals, Detergents and packaged water imported, manufactured locally and distributed in Nigeria.

CA/IL/54/2007, decided December 11, 2008 at the Court of Appeal in Ilorin, Nigeria

(2004) 2 S.C. (Part 1) 1

(2003) 12 NWLR Pt 836, 22

Section 3 of the Trademarks Act deals with the effect of non-registration of a trademark. It provides that no person shall be entitled to institute any proceeding to prevent, or to recover damages for, the infringement of an unregistered trade mark; but nothing in the Act shall be taken to affect rights of action against any person for passing off goods as the goods of another person or the remedies in respect of such passing off

(2007) 15 NWLR pt 1058, 576

An Anton Piller Order is a court order that provides the right to search premises and seize evidence without prior warning. This prevents destruction of relevant evidence, particularly in cases of alleged trademark, copyright or patent infringements. The order is named after the English case of Anton Piller KG v Manufacturing Processes Limited [1976] Ch 55

Suit No. FHC/L/CS/478/2008, decided on March 17, 2010

CA/C/46/2007, delivered on April 23, 2009

Decided December 8, 2009, Court of Appeal, Calabar

(2002) 2 NWLR (Pt 752) 528