



**NATIONAL OPEN UNIVERSITY OF NIGERIA**

**SCHOOL OF POSTGRADUATE STUDIES**

**FACULTY OF LAW**

**COURSE CODE: CLL812**

**COURSE TITLE: LAW OF INDUSTRIAL AND INTELLECTUAL  
PROPERTY II**



# **NATIONAL OPEN UNIVERSITY OF NIGERIA**

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## **CLL816 – LAW OF INDUSTRIAL AND INTELLECTUAL PROPERTY II:**

### **COURSE GUIDE**

#### **INTRODUCTION**

Intellectual property law protects the rights of authors, inventors, creators and owners of certain innovative and creative products. In the first semester, you have learnt a general overview of intellectual property law, copyright law as one of the types of intellectual property rights, and some global emerging issues within the intellectual property domain such as intellectual property and digitisation and protection of traditional knowledge, traditional cultural expression and genetic resources.

In this course, we shall examine three other types of intellectual property rights which are usually classified as industrial property rights. These are patents, designs and trademarks. These three are essential in an innovative and technology driven society. They are vital for commerce and have direct impact on the socio-economic growth and development of a society.

These three types of intellectual property rights are discussed in the three modules in this course which are subdivided into smaller units. While Nigerian legislation are the primary focus of discussion, reference shall be made to international treaties and the protection of these rights in selected foreign jurisdictions.

#### **WORKING THROUGH THIS COURSE**

To complete this course, you are advised to read the study units, recommended books, relevant cases and other materials provided by NOUN. Each unit contains a Self-Assessment Exercise, and at points in the course you are required to submit assignments for assessment purposes. At the end of the course there is a final examination. The course should take you about 13 weeks to complete. You will find all the components of the course listed below. You need to make out time for each unit to complete the course successfully and on time.

## **COURSE MATERIALS**

The major components of the course are.

- a) Course guide.
- b) Study Units.
- c) Textbooks
- d) Assignment file/Seminar Paper
- e) Presentation schedule.

## **MODULES AND STUDY UNITS**

We will deal with this course in 15 study units divided into 3 modules as follows;

### **MODULE ONE: LAW OF PATENT**

Unit 1: Introduction and History of the Patent System in Nigeria

Unit 2: Patentability requirements

Unit 3. Registration of Patents

Unit 4. Subsistence and exploitation of patents

Unit 5. Infringement of Patents

### **MODULE TWO: INDUSTRIAL DESIGNS**

Unit 1. Introduction to Industrial designs

Unit 2. Requirements for registration and Non-Registrable Industrial Designs

Unit 3. Registration of industrial designs

Unit 4. Subsistence and Exploitation of registered industrial designs

Unit 5. Infringement of industrial designs and remedies

### **MODULE THREE. TRADEMARKS**

Unit 1. Introduction to trademarks law: definition, objectives and history

Unit 2. Registration of Trademarks

Unit 3: Subsistence of Trademarks

Unit 4. Exploitation of trademarks

Unit 5. Infringement of trademarks

All these Units are demanding. They also deal with basic principles and values, which merit your attention and thought. Tackle them in separate study periods. You may require several hours for each. We suggest that the Modules be studied one after the other, since they are linked by a common theme. You will gain more from them if you have first carried out work on the law of contract. You will then have a clearer picture into which to paint these topics. Subsequent units are written on the assumption that you have completed previous Units.

Each study unit consists of one week's work and includes specific objectives, directions for study, reading materials and Self-Assessment Exercises (*SAE*). Together with Tutor Marked Assignments, these exercises will assist you in achieving the stated learning objectives of the individual units and of the course.

### **TEXTBOOKS AND REFERENCES**

Certain books have been recommended in the course. You should read them where so directed before attempting the exercise.

### **ASSESSMENT**

There are two aspects of the assessment of this course, the Tutor Marked Assignments, and a written examination. In doing these assignments you are expected to apply knowledge acquired during the course. The assignments must be submitted to your tutor for formal assessment in accordance with the deadlines stated in the presentation schedule and the Assignment file. The work that you submit to your tutor for assessment will count for 30% of your total score.

### **SELF-ASSESSMENT EXERCISES**



Self-assessment questions are raised at the end of each module to measure the level of successful engagement with the legal issues covered. The feedback (answers) in the body of the main text is distilled and put up at the end of the course material. This will enable you to understand and apply legal principles to practical situations in resolving legal matters in the field of marine insurance law.

### **FINAL EXAMINATION AND GRADING**

The duration of the final examination for this course is three hours and will carry 70% of the total course grade. The examination will consist of questions, which reflect the kinds of self-assessment exercises and the tutor marked problems you have previously encountered. All aspects of the course will be assessed. You should use the time between completing the last unit and taking the examination to revise the entire course. You may find it useful to review yourself assessment exercises and tutor marked assignments before the examination.

### **COURSE SCORE DISTRIBUTION**

The following table lays out how the actual course marking is broken down.

<b>Assessment</b>	<b>Marks</b>
Assignments 1-4 (the best three of all the assignments submitted)	Four assignments. Best three marks of the four counts at 30% of course marks.
Final examination	70% of overall course score
Total	100% of course score.

### **COURSE OVERVIEW AND PRESENTATION SCHEDULE**

<b>Module / Unit</b>	<b>Title of Work</b>	<b>Weeks Activity</b>	<b>Assessment (End of Unit)</b>

<b>MODULE 1</b>	<i>MODULE 1: LAW OF PATENT</i>		
Unit 1	<i>Introduction and History of the Patent System in Nigeria</i>	1	Assignment 1
Unit 2	<i>Patentability Requirements</i>	1	Assignment 2
Unit 3	<i>Registration of Patents</i>	1	Assignment 3
Unit 4	<i>Subsistence and Exploitation of Patents</i>	1	Assignment 4
Unit 5	<i>Infringement of Patents</i>	1	Assignment 5
<b>MODULE 2</b>	<i>INDUSTRIAL DESIGNS</i>		
Unit 1	<i>Introduction to Industrial Designs</i>	1	Assignment 6
Unit 2	<i>Requirements for Registration and Non-Registrable Industrial Designs</i>	1	Assignment 7
Unit 3	<i>Registration of Industrial Designs</i>	1	Assignment 8
Unit 4	<i>Subsistence and Exploitation of Registered Industrial Designs</i>	1	Assignment 9
Unit 5	<i>Infringement of Industrial Designs and Remedies</i>	1	Assignment 10
<b>MODULE 3</b>	<i>TRADEMARKS</i>		
Unit 1	<i>Introduction to Trademarks Law</i>		Assignment 11
Unit 2	<i>Registration of Trademarks</i>		Assignment 12
Unit 3	<i>Subsistence of Trademarks</i>		Assignment 13
Unit 4	<i>Exploitation of Trademarks</i>		Assignment 14
Unit 5	<i>Infringement of Trademarks</i>		Assignment 15

## HOW TO GET THE MOST FROM THIS COURSE

In distance learning, the study units replace the lecturer. The advantage is that you can read and work through the study materials at your pace, and at a time and place that suits you best. Think of it as reading the lecture instead of listening to a lecturer. Just as a lecturer might give you in-class exercise, you study units provide exercises for you to do at appropriate times.

Each of the study units follows the same format. The first item is an introduction to the subject matter of the unit and how a particular unit is integrated with other units and the course as a whole. Next is a set of learning objectives. These objectives let you know what you should be able to do by the time you have completed the unit. You should use these objectives to guide your study. When you have finished the unit, you should go back and check whether you have achieved the objectives. If you make a habit of doing this, you will significantly improve your chances of passing the course.

Self-Assessment Exercises (SAE) are interspersed throughout the units. Working through these tests will help you to achieve the objectives of the unit and prepare you for the assignments and the examination. You should do each Self-Assessment Exercise as you come to it in the study unit. Apart from the feedback (answers) to the SAE, examples are given in the study units. Work through these when you have come to them.

## **TUTORS AND TUTORIALS**

There are 15 hours of tutorials provided in support of this course. You will be notified of the dates, times and location of the tutorials, together with the name and phone number of your tutor, as soon as you are allocated a tutorial group.

Your tutor will mark and comment on your assignments. Keep a close watch on your progress and on any difficulties you might encounter. Your tutor may help and provide assistance to you during the course. You must send your Tutor Marked Assignments to your tutor well before the due date. They will be marked by your tutor and returned to you as soon as possible.

Please do not hesitate to contact your tutor by telephone or e-mail if:

- You do not understand any part of the study units or the assigned readings.
- You have difficulty with the self-assessment exercises.
- You have a question or a problem with an assignment, with your tutor's comments on an assignment or with the grading of an assignment.

You should try your best to attend the tutorials. This is the only chance to have face to face contact with your tutor and ask questions which are answered instantly. You can raise any problem encountered during your study. To gain the maximum benefit from course tutorials, prepare a question list before attending them. You will gain a lot from participating actively.

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## **MODULE 1 – LAW OF PATENT**

### **UNIT 1: Introduction and History of the Patent System in Nigeria**

1.1 Introduction

1.2 Learning Outcomes

#### **1.3 Introduction and History of the Patent System in Nigeria**

1.3.1 Definition

1.3.2 Objectives of Patent System

1.3.3 History of Patent System in Nigeria

1.4 Summary

1.5 Self-Assessment Exercises and Feedback

1.6 References for Further Reading

#### **1.1 Introduction**

The law of patents protects new inventions and improvement on existing inventions. Patents grant monopoly rights to inventors in order to encourage scientific and technological advancements in the society. After this limited period, such inventions become available freely to members of the society and can subsequently be built upon for greater development and advancement. Patent rights are therefore essential for scientific and technological advancements.

Patent is one of the types of intellectual property rights. It protects inventions and improvements on existing inventions. It should be noted that patents are not synonymous with inventions, rather patents are legal proprietary rights which are granted to the owner of an invention. In other words, an invention is the subject matter of a patent. This Unit provides a background to the protection of patent rights by attempting a definition of patent rights and discussing the history of patents in Nigeria.

#### **1.2 Learning Outcomes**

At the end of this study, you should be able to:

1. define patents
2. explain the objectives of patent system
3. understand the history of the Nigerian patent system

## 1.3 INTRODUCTION AND HISTORY OF THE PATENT SYSTEM IN NIGERIA

### 1.3.1 Definition

A patent is an intellectual property right granted to protect new inventions or improvements of an existing invention. It is granted by the government or its authorized agency under statutory law. For instance, patents are granted by the Patents and Designs Registry under the Patents and Designs Act 1970 in Nigeria. A patent is a legal right that gives the inventor of new and useful products or processes the right to exclude others from the commercial exploitation of their inventions. This shows that patents can be with respect to products (articles and other tangible objects) or processes (methods of achieving a result or processes for making products) {s.6(1) Patents and Designs Act 1970; *Arewa Textile Plc & Ors v. Finetex Ltd* (1997-2003) 4 IPLR 350}.

A patent can also refer to a document issued by the government, upon application by an inventor, which describes an invention and confers the right to prevent others from the commercial exploitation (use, sale, manufacture, export, import, storage for the purpose of sale) of the invention.

### 1.3.2 Objectives of Patent System

The patent system, like all other intellectual property rights, entails a social contract, that is, a contract between the inventor and the public. In return for inventions, the inventor is given a monopoly over the invention for a limited period, after which the invention falls into the public domain, in that it can be used freely by members of the society. Hence, patents promote scientific and technological advancements particularly through the protection on improvements on existing inventions.

Investing research and development including other endeavours leading up to an invention is usually a costly and time-consuming exercise. Patents rewards inventors by giving them the monopoly over the invention in order to give them time to recoup their investments and make some profits from it. At the same time, it serves as an incentive for inventors to encourage them to continue to invent since through patents, others should not freely make use of their invention without their authorisation.

Furthermore, patents recognise the right of inventors to their inventions and acknowledges their ownership of same. It allows inventors to have credit for their inventions and be recognised in this regard. It therefore acknowledges their natural right to their invention.

Another objective of the patent system is the promotion of research and development which is achieved through the requirement that there must be a disclosure of the invention in a sufficiently clear and complete manner for someone skilled in the field of the invention to be able to recreate the invention. The patent document therefore serves as a source of information for further research.

Patents also ensure technology transfer and encourage investment including foreign direct investment (FDI) when investors are aware that there is a legal protection of their investment through patent law.

### **1.3.3 History of The Patent System in Nigeria**

The history of patent system in Nigeria and many other developing countries can be traced to the 1879 Patent Conference in Paris where it was decided that patent laws of colonial masters should be extended to their colonies. The patent system was therefore first introduced to the Colony of Lagos by the Patents Ordinance (No 17) of 1900, the Southern Protectorate by the Patents Proclamation Ordinance (No 27) of 1900, and the Northern Protectorate by the Patents Proclamation Ordinance (No 12 of 1902). These ordinances established patent offices in these areas and contained substantive and administrative provisions on the patent system. After the amalgamation of the Northern and Southern protectorates in 1914, these previous laws were repealed and the Patents Ordinance (No 30) of 1916 was put in place.

In 1925, the Ordinance was amended to become Registration of United Kingdom Patents Ordinance (No 6) of 1925, Cap 182, Laws of Nigeria 1958. Under this law, unlike the previous Ordinances, patents obtained in the United Kingdom were registrable or renewable in Nigeria. The implication was that anyone interested in having patents right had to apply to the UK office for grant before registering same in Nigeria. This law was operative even post-independence until the first indigenous



patent legislation was passed in 1970 – the Patents and Designs Act, 1970, Cap P2, LFN 2004 (PDA).

In addition, there are certain international treaties which relate to patents which Nigeria has acceded to such as the Paris Convention for the Protection of Industrial Property Rights, 1883 and the Agreement on the Trade Related Aspects of Intellectual Property Rights, 1994 (TRIPS Agreement). Reference shall be made to these treaties during the study

**SELF-ASSESSMENT EXERCISE (SAE) 1**

1. Patents are an essential drive for scientific and technological development of the society. In the light of this, discuss the rationale for the patent system.

#### 1.4 Summary

In this unit, we have defined patents and also discussed the objectives of patents rights. Although Nigeria can trace the legal protection of patents to the United Kingdom, the first indigenous patent legislation was made in 1970. So far, this has been the only indigenous patent legislation in Nigeria and it is due for an amendment or overhaul in the light of various scientific and technological advancements today.

#### 1.5 References/Further Reading/Web Sources

- 1) Adejoke O. Oyewunmi, *Nigerian Law of Intellectual Property* (Unilag Press and bookshop Ltd, 2015) pp. 141-147
- 2) Jide Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trade Marks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2007) pp. 342-346
- 3) Bryan A. Garner (ed), *Black's Law Dictionary* (8<sup>th</sup> ed, Thomson West, 2004) 1156
- 4) Patents and Designs Act, Cap P2, Laws of the Federation of Nigeria, 2004, s.6(1)
- 5) *Arewa Textile Plc & Ors v. Finetex Ltd* (1997-2003) 4 IPLR 350



## **MODULE 1 – LAW OF PATENT**

### **UNIT 2: Patentability Requirements**

2.1 Introduction

2.2 Learning Outcomes

2.3 Introduction and History of the Patent System in Nigeria

2.3.1 Patentable Inventions and the Requirements for Patentability

2.3.2 Patenting Improvements on Inventions

2.3.3 Non-patentable inventions

2.4 Summary

2.5 Self-Assessment Exercises and Feedback

2.6 References for Further Reading

#### **2.1 Introduction**

Not all inventions are patentable as some do not qualify or meet the requirements for patentability. This Unit shall examine patentable inventions and the requirements for patentability, improvements on existing patents and the non- inventions.

#### **2.2 Intended Learning Outcomes**

At the end of this study, you should be able to:

1. Understand the requirements of patentability
2. Differentiate between patentable and non-patentable inventions
3. Explain the patent of improvements on existing inventions.

#### **2.3 Patentability Requirements**

##### **2.3.1 Patentable inventions and the requirements for patentability**

Patentable inventions refer to inventions in respect of which the law will grant patent rights. According to Oyewunmi, an invention is a useful, newly created process or product which results from the exercise of skill or ingenuity by the inventor. Black's Law dictionary defines it as a patentable device or process created through independent effort and characterized by an extraordinary degree of skill or ingenuity. Patentable inventions can therefore be either products or processes as stated earlier in Unit 1.

To qualify for protection, section 1(1) of the PDA requires an invention to be new, result from inventive activity and capable of industrial application. There are therefore three requirements of patentability which are newness or novelty, inventiveness or non-obviousness and industrial application. These three shall be discussed below:

### **2.3.1.1 Novelty/Newness**

By section 1(2)(a) of the PDA, an invention is new if it does not form part of the state of the art. An understanding of the concept of ‘state of the art’ is therefore essential in determining the novelty of an invention. Art in this regard, refers to the art or field of knowledge to which an invention relates (s 1(3)(a) PDA). For instance, for an invention of a new drug or vaccine for coronavirus or ebola, the art is the pharmaceutical industry. An invention that relates to the operations of a tractor, the field is engineering or more specifically agricultural engineering.

State of the art refers to “everything concerning that art or field of knowledge which has been made available to the public anywhere and at any time whatever (by means of a written or oral description, by use or in any other way) before the date of the filing of the patent application relating to the invention or the foreign priority date validly claimed in respect thereof...”

It therefore means that newness is judged against the invention not forming part of the state of the art, where state of the art essentially refers to everything (information, object, process) about that field of the knowledge that has been made available to members of the public or disclosed. Therefore, publication or disclosure defeats novelty.

Publication can be anywhere in the world (not limited to Nigeria), at any time, oral, written, by usage or any other way. Under Nigerian laws, disclosure to other person who is not under an obligation of secrecy defeats novelty. Where the person is free to disclose to others whether inadvertently or fraudulently, there has been a disclosure. It does not matter that the person did not actually disclose it. For example, describing the invention at a conference or in an interview. But if the disclosure is made in confidence by the inventor or someone with whom he has a

non-disclosure agreement or some kind of confidential obligation, then novelty is not defeated. (See *Pall Corp v. Commercial Hydraulics (Belford) Ltd* (1990) FSR 329; *Threeway Pressings Ltd*, UK Intellectual Property Office, BL O/124/12, 20 March 2012).

Publication can be by document. Describing the invention in an article or any other document accessible to members of the public is a disclosure. Mere exhibition or display in a library, bookshelf or book shop constitutes disclosure and it does not matter that no one bought the book or saw it. The determining factor is whether it could have been accessed by anyone (see *Van der Lady v. Bamford* (1963) RPC 61).

There can also be publication by use. Where an invention has been used in a place the public can have access to, this can affect novelty (see *Femento Industrial S.A v. Mentmore Manufacturing Co. Ltd* (1956) RPC 87; *Windsurfing International Inc. V. Tabur Marine (GB) Ltd* (1985) RPC 59). Secret or experimental uses may however not defeat novelty.

Note also that the relevant date for determining the novelty of an invention is with respect to the state of the art before the date of the filing of the patent application or the foreign priority date validly claimed in respect of the patent application. The concept of foreign priority shall be explained in greater detail in Unit 3.

Therefore, with regards to novelty, the first issue is whether the prior publication was made available to the public before the relevant date (date of filing or foreign priority date). The second issue is whether the prior publication discloses, describes, or anticipates the invention in the patent application.

The only exception, when publication before the relevant date will not defeat novelty, is where an invention has been exhibited at an official or officially recognized international exhibition within the period of six months preceding the relevant date by the inventor or his successor in title. Note that the reference here is to official and officially recognized exhibitions by the Bureau of International

Expositions (BIE) and not just the mere fact that an exhibition is tagged international.

### **2.3.1.2 Inventive Activity**

An invention results from inventive activity if it does not obviously follow from the state of the art, either as to the method, the application, the combination of methods, or the product which it concerns, or as to the industrial result it produces (Section 1(2)(b) PDA). Therefore, the invention must be essentially different from the previous efforts in the field. It must significantly advance the state of the art. The inventor must have exercised his inventive faculty in a manner that would be considered ingenious as a to qualify for the grant of a patent.

Inventive activity is also called non-obviousness. This implies that the differences between the invention and the relevant prior art should not have been obvious to a person reasonably skilled in that art or field of knowledge. Therefore, in assessing whether an invention effects an advancement of the pre-existing art, the test the courts apply is whether the claimed invention was obvious to one who is skilled in the relevant technology.

In *Windsurfing International Inc. V. Tabur Marine (GB) Ltd* (1985) RPC 59 the court gave a guide in determining inventive activity. The first is to identify the invention (product or process). Subsequently, the court assumes the role of a person skilled in the art, that is a normally skilled but unimaginative person in the relevant field of knowledge to which the invention relates. Next, the court identifies the differences between the invention and the prior art (state of the art prior to the invention). Then the court needs to ask itself whether those differences would have been obvious to the skilled person or they involve some degree of ingenuity to be arrived at. Evidence of previous failed attempts at arriving at that invention or that the invention fulfilled a long-felt need in the art may assist the court in arriving at a decision in this regard. (See *Proctor v. Bennis* (1887) 37 Ch.D 740)

### **2.3.1.3 Industrial Application**

An invention is capable of industrial application if it can be manufactured or used in any kind of industry, including agriculture (Section 1(2)(c) PDA). This means that the invention should not just be a mere idea or form of theoretical phenomenon. It must be useful in that it provides some practical benefit (usefulness) or be capable of being manufactured in an industry (industrial applicability). This requirement applies even to process patents which must be useful in that it is possible to carry out the process. This requirement is therefore met as long as the invention can be made in an industry without necessarily considering its usefulness. However, a useful invention is still required to be industrially applicable. The definition of 'industry' is quite broad and it includes agriculture.

### **2.3.2 Patenting improvements on inventions**

Improvement on existing inventions are patentable under the Act (section 1(1)(b) PDA). This improvement must also satisfy the three requirements of patentability which are novelty, inventive activity, and industrial application (see *James Oitomen Agbonrofo v. Grain Haulage and Transport Ltd* (1998) FHCI 236). The improvement must therefore be a substantial one and not mere cosmetic or minor alteration. This provision is useful in encouraging indigenous inventors who may improve upon foreign patents or adapt same to local needs. It is also relevant for technological advancements and improvement of existing technology.

However, where there is a valid patent on the existing invention upon which the improvements are made, the inventor of such improvements should obtain the appropriate authorization or license of the inventor of the existing product or process before he can commercialize his improvement on the existing invention.

### **2.3.3 Non-patentable inventions**

Some inventions are not patentable either because they are as stated in the Act or because of the nature of the subject matter.

#### **2.3.3.1 Principles and Discoveries**

Section 1(5) PDA. Principles and discoveries are not considered an invention even if they are of a scientific nature. These are not eligible for patentability particularly because theories lack the element of inventive activity. A person may discover that a known machine produces an effect that no one knew or that a process has an improved effect if continued for a longer period or an advantage in the working of a known scientific process, without any modification in that process, may have made a useful discovery but if he does nothing more, such a discovery is not patentable. A patentee must do something more, add some ingenuity and novelty to what was existing previously. Buckley J puts it aptly in *Reynolds v. Herbert Smith & Co Ltd* (1913) 20 RPC 123: ‘Discovery adds to the amount of human knowledge, but not merely by disclosing something. Invention necessarily involves also the suggestion of an act to be done, and it must be an act which results in a new product, or a new result, or a new process, or a new combination for producing an old product or an old result.’

Marie Curie, for example, discovered the radioactive element radium, isolated it and established its properties. This was a mere discovery which did not entitle her to a patent because radium was already existing in nature. This discovery did not meet the requirements of novelty and have no industrial application. However, the “discovery” of X-rays by Roentgen was an invention that could have been patented since it consisted of an application for medical use of the properties of radioactive material [Genetech Inc’s Patent [1989] RPC 147 (CA); Chiron Corp V Murex Diagnostics Ltd. [1997] RPC 535 (CA)].

#### **2.3.4 Plant or animal varieties or biological process for producing plants or animals**

Plant or animal varieties, or essentially biological processes for the production of plants or animals (other than microbiological processes and their products) are not patentable (section 1(4)(a) PDA). This exception to patent right is due to ethical considerations with regards to creating a private monopoly on life (plants and animals) or things occurring in nature. It also bothers on animal rights, biosafety and adverse impact on the environment. However, this provision in the PDA can limit the patenting of biotechnological inventions which can have significant benefits. Article 27(3) of the TRIPS Agreement imposes the obligation of member states to protect new plant varieties which can be achieved via patent system, a *sui generis* legislation



or a combination of these two. Some jurisdictions that do not allow for patent of plant varieties afford protection through a sui generis plant variety rights provision. Nigeria does not have a plant variety right legislation. this means that agricultural research that involves essentially biological processes like cross breeding will not be eligible for plant protection.

Genetically modified crops are however becoming essential and useful in the agricultural and horticultural fields where plants can be genetically engineered to produce certain desirable qualities such as better yields, pest or diseases resistant, infusion of certain nutrients or vitamins among others. Nigeria therefore has to weigh its options to ensure that the PDA is able to protect biotechnological inventions while balancing the interest of the public in the preservation of life forms and also preventing biopiracy.

It should however be noted that what the Act excludes from patentability is essentially 'biological' processes for the production of plants or animal varieties. Microbiological processes and their products can be patented under the Act. This means that biotechnological inventions that involve microbiological processes may be patentable under the Act.

### **2.3.5 Publishing or Exploiting Inventions contrary to public order or morality**

Inventions the publication or exploitation of which would be contrary to public order or morality. An invention whose publication or exploitation would offend the moral sense of the average or reasonable member of the society falls into this exception. An example is an invention that may cast denigrate one religion or ethnic group in the Nigerian society. However, the exploitation of an invention is not contrary to public order or morality merely because its exploitation is prohibited by law (Section 1(4)(b) PDA).

Furthermore, Article 27(2) of the TRIPS Agreement provides that "members may exclude from patent protection certain kind of inventions, for instance inventions the commercial exploitation of which would contravene *ordre public* or morality, including to protect human, animal or plant life or health or to avoid serious prejudice

to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by their law.”

#### SELF-ASSESSMENT EXERCISE (SAE) 2

1. Discuss the requirements of patentability of an invention.
2. Not all inventions are patentable. Discuss two of such inventions.

#### 2.4 Summary

Patent rights protect new inventions which satisfy the three requirements for patentability. However, some inventions are not patentable and cannot be granted patent protection such as plant, animal varieties, biological processes, inventions contrary to public order or morality, scientific principles and discoveries.

#### 2.5 References/Further Reading/Web Sources

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## MODULE 1 LAW OF PATENT

### Unit 3: Registration of Patents

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#### 3.1 Introduction

Before an inventor can enjoy patent rights, the inventor must register at the Patents and Designs Registry. This is unlike what obtains with respect to copyright which does not require registration. This Unit shall examine the ownership of patent rights, registration of patents and rights conferred on a patentee.

#### 3.2 Learning Outcomes

At the end of this study, you should be able to:

1. Identify who owns a patent right
2. Understand the process of registration of patents in Nigeria
3. Understand the Rights conferred by a patent
4. Explain the exceptions to patent rights

#### 3.3 Registration of Patents

##### 3.3.1 Right to patent (Ownership of Patent)

The right to a patent in respect of an invention is vested in the statutory inventor under the Act. The statutory inventor is the person who, whether or not he is the

true inventor, is the first to file, or validly to claim a foreign priority for, a patent application in respect of the invention (section 2(1) PDA). This means that the statutory inventor is not necessarily the true inventor, where the latter refers to the natural person who actually came up with the invention or exercised the inventive activity in the invention.

It also means that Nigeria operates a first to file system wherein the patent right granted to the first person who files the invention or claims a valid priority date in respect of the invention at the Patents Registry. This may seem to encourage fraudulent practices when applicants may rush to apply for a patent in respect of an invention which they have not actually invented or they do not have authorisation to register.

Therefore, the Act through its provisions seeks to prevent third parties from applying for patents without the authorisation of the true inventor. Hence, the true inventor has a right to be named as such in the patent even if he is not the statutory inventor and this right cannot be modified by a contract (Section 2(2) PDA).

The Act protects the true inventor further by providing that where the essential elements of a patent application were obtained from a person without his consent both to the obtaining and the patent application, all rights in the application and patent granted shall be deemed to be transferred to the true inventor or his successor in title (section 2(3) PDA).

While it is possible for two or more persons to be named as joint inventors, it must be noted that a person is not an inventor if he has merely assisted in doing work connected with the development of an invention without contributing any inventive activity (section 2(5) PDA). This means that an inventor is the person who actually contributed or carried out an inventive activity (an essential requirement of patentability discussed earlier in Unit 1). A mere lab assistant or person who assisted in experimentation or field study after the inventor came up with the invention shall therefore not qualify as an inventor under the Act. Mere administrative and marketing activities would also not be considered as inventive activity.

The PDA also gives guidance as to who has the right to patent in cases of commissioned works or works made in the course of employment. The right to a patent in respect of an invention made in the course of employment or commissioned work belongs to the employer or the person that commissioned the work (section 2 (4) PDA). This is in line with the common law work-for-hire principle (*Patchet v. Sterling* [1955] AC 534).

The key thing to note in this provision is therefore whether the invention was made ‘in the course of employment’ or in the execution of a contract in the performance of a specified work. An invention will be considered to have been made in the course of employment where the employee makes use of the time and resources (data, money, lab, materials, equipment and so on) of the employer.

In order to recognise the significant contribution of the true inventor in cases of commissioned works and works made in the course of employment, the Act provides that where the inventor is an employee and his contract of employment does not require him to exercise any inventive activity but he has used the data or means provided by his employer in making the invention he is entitled to fair remuneration. Also, where the employee’s invention is of exceptional importance, he is entitled to fair remuneration even where his contract of employment requires him to exercise inventive activity. The fair remuneration should take into account his salary and the importance of the invention; and this entitlement is not modifiable by contract (section 2(4) PDA).

The provision of section 2(4) may not be sufficient to protect an inventor. This is because it distinguished between an invention that is of ‘exceptional importance’ and other inventions whose importance are probably not exceptional, this should not be. It means that it becomes a question of fact and sometimes a subjective assessment in determining whether an invention is of exceptional importance or not. More so, sometimes an invention may seem of importance but with new scientific developments, it becomes redundant. Conversely, a seemingly unimportant invention may become important with more scientific development particularly if there is an invention of some other complementing technology that

can make use of the initial unimportant invention. Furthermore, it may not always be ascertainable from the outset whether an invention will be profitable or not.

In this regard, Babafemi argues that once an invention is patented, the inventor should be rewarded. He also argues that basing the remuneration on the inventor's salary is unjust as the salary may be very low. A better arrangement could be that the remuneration of the inventor should be a percentage of the earnings of the invention. This would better reflect the income from the patent.

### **3.3.2 Application for registration of patent**

A patent application is made to the Registrar of Patents and shall contain the following:

- (a) a petition or request for a patent containing the applicant's full name and address and, if that address is outside Nigeria, an address for service in Nigeria,
- (b) a specification including a description of the relevant invention with any appropriate plans and drawings,
- (c) a claim or claims, and
- (d) the prescribed fee
- (e) where appropriate, a declaration signed by the true inventor requesting that he be mentioned as such in the patent and giving his name and address
- (f) if the application is made by an agent, a signed power of attorney
- (g) such other matter as may be prescribed; and
- (h) Where the applicant is claiming a foreign priority, he shall append to his application a written declaration showing-
  - (i) the date and number of the earlier application,
  - (ii) the country in which the earlier application was made, and
  - (iii) the name of the person who made the earlier application; and
  - (iv) not more than three months after the making of the patent application, he shall furnish the Registrar with a copy of the earlier application certified correct by the Industrial Property Office (or its equivalent) in the country where the earlier application was made (Section 3 PDA).

Some essential parts of the patent application are discussed below

### **3.3.2.1 The Description**

The description must disclose the relevant invention in a manner sufficiently clear and complete for the invention to be put into effect by a person skilled in the art or field to which the invention relates (section 3(2)PDA), Rule 12(1)). This is because the idea behind the patent system is a social contract. In the sense that in return for a disclosure of his invention, an inventor is granted monopoly for the period of the validity of a patent (usually 20 years) after which the patent falls into the public domain (can be used by anyone). Inventors must therefore ensure that their description of the invention is the best method and sufficiently clear such that a person skilled in the art in that field can carry it out. This in turn ensures scientific and technological advancement as other inventors have something to work on or improve upon in order to continue to have inventions. The applicant is therefore not permitted to withhold the best information from the public.

Cornish and Llewellyn explains it thus: “in the case of mechanical contrivances, the patentee normally seeks to fulfill his obligation of disclosure by describing at least one embodiment of his concept, giving details about how it is to be made wherever that is not obvious ... Likewise in a chemical case he will provide at least one example of the procedures involved in his invention... where alternatives are claimed, other examples may well be necessary. ... whether disclosure is sufficient has always been treated as a question of fact. A court must judge the issue from evidence about how the skilled person would have understood the specification at its date of filing. The purpose is not to instruct the uninitiated in the whole art. Those who have been working in a field soon build upon a web of assumptions and understandings about how things can be made to work which will not be shared by outsiders. Their common general knowledge does not have to be rehearsed in the specification”.

### **3.3.2.2 The Claims**

The claims define the exact protection sought by the applicant. It defines the monopoly he seeks and the extent of protection conferred on the



patentee by the patent (section 6(2) PDA. Rule 12(2) Patent Rules). The claim must be clear and state succinctly the invention that is sought to be protected. It is not a description but a limitation of the description of the invention. Great care and skill must therefore be exercised in writing the claims.

Thorson J in *Minerals Separation case* (1947) Exc R.306 explained as follows: "... by his claims the inventor puts fences around the fields of his monopoly and warns the public against trespassing on his property. His fences must be clearly placed in order to give the necessary warning and he must not fence in any property that is not his own. The terms of a claim must be free from avoidable ambiguity or obscurity and must not be flexible. They must be clear and precise so that the public will be able to know not only where it must not trespass but also where it may safely go. If a claim does not satisfy these requirements, it cannot stand."

The Federal High Court in *Pfizer v. Polyking Pharmaceutical Limited* [1998] 1 FHCLR 1 agreed with plaintiff's counsel that the limits of the exclusive rights granted by a patent is as defined by the claims in the specifications and not by the title given to the letter patent.

By section 3(3) PDA, a patent application shall relate to only one invention, but may include in connection with the invention claims for any number of products, any number of manufacturing processes for those products, and any number of applications of those products. If the invention is in relation to processes, the claims may be for any number of processes, and for the means of working those processes, for the resulting product or products and for the application of those products.

### **3.3.2.3 The Plans and Drawings**

Where necessary, the patent application is to include clear plans and drawings to illustrate the invention. Whether the dimensions given in the drawings would strictly define the limits of the patentee's invention is a question of fact and interpretation by the court. Usually, what defines the

scope of the patentee's monopoly is the claims. The plans and drawings as well as the description are only used to interpret the claims (Section 6(2) PDA).

### **3.3.3 Foreign priority**

Priority date applies to a foreign application that has first been applied for in another contracting state to an international IP treaty which application can still be made in other contracting states within the priority period without the prior application affecting the novelty of the subsequent application in the other countries.

The concept of foreign priority originated from Article 4 of the Paris Convention which provides that "Any person who has duly filed an application for a patent, or for the registration of a utility model, or of an industrial design, or of a trademark, in one of the countries of the Union, or his successor in title, shall enjoy, for the purpose of filing in the other countries, a right of priority during the periods hereinafter fixed" (see section 27 PDA). Foreign priority therefore applies to most registered intellectual property rights.

The essence is to allow an applicant to register his or her right in various jurisdictions without the previous application defeating his novelty in the subsequent jurisdiction. This is particularly useful for determining the novelty of patents where the newness is judged against publication anywhere (not limited to Nigeria for example). It therefore means that if Inventor A has first filed in Ghana in October 2019 before coming to file in Nigeria in March 2020, the relevant date for judging the novelty of his or her invention is the date of filing in Ghana (foreign priority date) and not the date of filing in Nigeria. Hence, the Ghanaian application would not defeat the novelty of the Nigerian application. Also, if a similar invention was filed by Inventor B in Nigeria in February 2020, Inventor A would have priority over Inventor B in Nigeria as he first filed in a contracting foreign state in October 2019.

By Article 4C of the Paris Convention, the priority period for patents is 12 months from the date of filing in the first country (section 27(2)(a) PDA).

### **3.3.4 Examination and grant of patent**

The powers of the Registrar with respect to patent applications are essentially administrative and the application is only checked for compliance with the formal requirements discussed in **3.3.2 above**. Where the application satisfies these requirements, the Registrar shall grant the patent (Rule 14, Patent Rules). However, where on examination of the patent application there has been no compliance with these formal requirements, the Registrar shall reject the application (Rule 13, Patent Rules). Nigeria therefore operates a registration patent system. In fact, the Registrar is expressly precluded for examining substantive matters such as the fulfillment of requirements of patentability under section 1 and the sufficiency of the disclosure of the description or the claims (section 4(2) PDA. The Registrar is also prevented from checking whether a prior application, or an application benefiting from a foreign priority, has been made in Nigeria in respect of the same invention, and whether a patent has been granted as a result of such an application. Although this position encourages the grant of weak patents and makes the registry more perform more of a 'rubber stamp' function, it was probably inserted in order to protect local inventors and encourage indigenous innovation. Unfortunately, despite this provision, there are few patent applications in Nigeria most of which are by foreign inventors seeking to protect their interest in the country. Another reason for this provision could have been the lack of patent examiners at the time of the enactment of the PDA. This also is no longer the case as Nigeria now has lots of graduates and experts in the field of science and technology. It is therefore clear that these provisions have outlived their relevance and it is high time they were repealed and Nigeria undertake substantive examination of patents to ensure that granted patents are strong and provide useful and true information in order to drive scientific and technological development.

Anyone that seeks to contest the validity of a patent has to apply to the court (section 26 PDA). The theory is that the Registrar does not have the competence to judge the merits of patent applications. Hence, the Act provides that patents are

granted at the risk of the patentee without guarantee of validity (Section 4(4) PDA).

Upon the grant of a patent, the Registrar will issue a document in this regard which will bear the relevant patent number, the name and domicile of the patentee (or his successor in title or assignee if any), the dates of the patent application and grant, the title of the invention, the period of validity, with reservation as to the right of third parties, the number and date of a patent application where foreign priority is claimed, names and address of the true inventor, a copy of the specification and the relevant drawings and plans if any (Section 5, Rule 15 Patent and Design Rules). After the grant, the Registrar is to enter the particulars of the grants in the Register of Patents and cause a notification of the grant to be published in the Federal Gazette.

### **3.3.5 Rights Conferred by Patent**

Section 6(1) provides that a patent confers upon the patentee the right to preclude any other person from doing any of the following acts-

- (a) where the patent has been granted in respect of a product, the act of making, importing, selling or using the product, or stocking it for the purpose of sale or use; and
- (b) where the patent has been granted in respect of a process, the act of applying the process or doing, in respect of a product obtained directly by means of the process, any of the acts mentioned in paragraph (a)

Anyone that carries out any of the stipulated acts with respect to a patented product or process without the consent of the patentee would have infringed the patent.

Patent therefore provides broad protection for the patentee as even a use of the product or storing it for sale or use without the authorization of the patentee amounts to infringement. Unlike copyright which protects independently created but similar works, patents gives the patentee a monopoly over the invention even against others who have independently created theirs in so far as what the third party has is included within the claims of the patentee.

### **3.3.6 Limitation to the patentee's rights**

There are certain exceptions to the right of a patentee under the Act. This is usually to protect public interest such as educational and research purposes and encourage local innovation. These exceptions are:

1. where the act is for a non-commercial or industrial purpose (Section 6(3)(a)PDA). The rights under a patent extend only to acts done for industrial or commercial purposes. This means that private and experimental purposes are exempted from patent monopoly.
2. The principle of exhaustion of rights which essentially means that patents do not extend to acts done in respect of a product covered by the patent after the product has been lawfully sold in Nigeria, except in so far as the patent makes provision for a special application of the product, in which case the special application shall continue to be reserved to the patentee (section 6(3) PDA). Hence, where a product that includes a patent has been lawfully sold by the patentee or through a chain of supply approved by him, the buyer, for instance, can resell it.
3. Where, at the date of the filing of a patent application or at the date of a foreign priority validly claimed, a person other than the applicant was conducting an undertaking in Nigeria; and in good faith and for the purposes of the undertaking, was manufacturing the product or applying the process or had made serious preparations with a view to doing so, then, notwithstanding the grant of a patent, there shall exist a right (exercisable by the person for the time being conducting the undertaking, and not otherwise) to continue the manufacture or application, or to continue and complete the preparations and thereafter undertake the manufacture or application, as the case may be (section 6(4) PDA).

This provision protects an inventor who is acting in good faith and not one who has fraudulently obtained information about the invention. It is also useful in protecting local inventors who may have been working an invention prior to the patentee's application. Ideally, the local inventor's invention should mean that the latter's invention is not novel and therefore a ground for nullity of the patent under section 9 of the PDA, however, this provision relieves the local inventor from the burden of having to institute an action in court and enables him to continue to work his invention without being liable for infringement. It should also be noted that the

inventor must have worked on been manufacturing or made serious preparations to manufacture the invention.

### SELF-ASSESSMENT EXERCISE 3

1. What are the contents of a patent application and what are their functions
2. The rights of the patent owner are not absolute. Discuss the exceptions to patent right

#### 3.4 Summary

In order to be conferred with a patent, it is essential that an applicant registers the patent at the Patents Registry. This Unit has looked at the ownership of patent rights under the Nigerian legal system as well as the procedure for application and grant of patent. It also examined the rights granted by patent and the exceptions to those rights.

#### 3.5 References/Further Reading/Web Sources

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- 6) Patents Rules 1971
- 7) Paris Convention for the Protection of Industrial Property, 1883, Article 4
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- 9) *Minerals Separation case* (1947) Exc R.306
- 10) *Pfizer v. Polyking Pharmaceutical Limited* [1998] 1 FHCLR 1

## MODULE 1 LAW OF PATENT

### **Unit 4: Subsistence and Exploitation of Patents**

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4.3.5 Exploitation of Patents

4.3.6 Use of Patent for the Services of Government Agencies

4.4 Summary

4.5 References/Further Reading/Web Sources

#### **4.1 Introduction**

A major reason people invest in obtaining patent rights is in order to commercialize it as a means of recouping investments made as well as making some profits as a reward for efforts put into making or arriving at the invention to which the patent relates. This unit shall examine the subsistence of patent rights and the possible means of exploiting patent right.

#### **4.2 Intended Learning Outcomes**

At the end of this study, you should be able to:

1. understand the cause of a patent lapsing
2. know how the grounds for the nullity of a patent
3. the procedure for the surrender of patents
4. possible means of exploiting patent right

## **4.3 Subsistence and Exploitation of Patents**

### **4.3.1 Duration of patents**

A patent is valid for 20 years from the date of the patent application. Hence a patent expires from the end of the twentieth year from the date of application. It should be noted that the relevant date for calculation of the term of a patent is the date of application or filing. It is neither the date of grant of the application nor the foreign priority date (Section 7(1) PDA). The expiration of the patent shall be registered and notified (section 7(3) PDA).

### **4.3.2 Lapse of patents**

After grant, a patent is expected to be renewed annually by the payment of renewal fees. The inventor is however given a grace period of 6 months for such payment to be made in addition to the payment of any surcharge due to the late payment (Section 7(2) PDA). In order to pay after the stipulated period, the patentee must apply for an extension of time. As stated earlier, no extension beyond six months shall be given (Rule 18 (1) Patent Rules).

The duty to pay renewal fees arises only after the grant of the patent and not before as to insist on a patentee paying before grant implies a speculation that the patent would be granted (*Pfizer Inc. v. Polyking Pharmaceuticals Ltd & Anor* (1997-2003) 4 IPLR 215).

Failure to renew the patents will make it lapse or cease. This means that the patent shall not be enforceable against third parties and it shall fall into the public domain. The lapse of a patent is also required to be registered and notified (section 7(3) PDA). While some other jurisdictions provide for the revival of a lapsed patent in rare circumstances, the Nigerian legislation makes no such provision. It means that a patentee must be diligent in safeguarding his or her rights by ensuring renewal fees are paid within the stipulated time including the 6 months period of extension. Failure to do so will make the patent lapse irreversibly.



### 4.3.3 Nullity of patents

As stated earlier due to the registration system of patents in Nigeria where the Registrar does not inquire into the substance or quality of patents, patents are granted at the risk of the patentee (section 4(4) PDA). This means that the grant of a patent is not a guarantee that the patentee's right is undefeatable. A patent can therefore be nullified on the application of any person, including a public officer in the exercise of his duties, to the Federal High Court (Sections 9 and 26 PDA, Section 251 (1)(f) Constitution of the Federal High Court of Nigeria 1999). The grounds for an application to nullify are patent as provided by section 9(1) PDA are:

- i. if the subject of the patent is not patentable under section 1 of the Act, in that it does not fulfil the requirements of patentability (novelty, inventive activity and industrial application); or
- ii. if the description of the invention or the claim does not conform with section 3(2) of the Act in that it is does not sufficiently disclose the invention or not sufficiently clear; or
- iii. if for the same invention a patent has been granted in Nigeria as the result of a prior application or an application benefiting from an earlier foreign priority.

The nullity of the patents could be with respect to the entire patent or limited to specific claim(s). The court is required to respect the right of the patentee to fair hearing by ensuring that before it nullifies the patent, the patentee is first given an opportunity to be heard. The court shall also have regard only to the state of affairs existing when the proceedings were instituted. If the applicant (not being a public officer) fails to satisfy the court that he has a material interest in making the application, the court shall dismiss the application (Section 9(5) PDA). This is to prevent vexatious suits and also protect local inventors who may not have the resources to defend frivolous suits.

Where the court nullifies or invalidates a patent, the patent shall be deemed to have been null and void since the date of its grant (section 9(4) PDA). However, it shall not be necessary to repay royalties paid by any licensee unless the court so orders. The court shall inform the Registrar of the nullity of the patent and the latter shall register same and notify the declaration. It should be noted that an applicant seeking to nullify a patent must comply with the Federal High Court Rules which stipulates that the application be made by a petition in a separate action and not by a counter-claim, or raised in defence or by an action commenced within an action.

#### **4.3.4 Surrender of patents**

A patentee may voluntarily surrender his patent by making a written declaration addressed to the Registrar to this effect (section 8 PDA). The surrender may relate to all or any of the claims made by the patent. It shall be registered and notified and does not become effective until it has been registered. Where the surrender relates to a patent as to which a contractual licence or licence of right is registered, it shall be registered only if it is accompanied by the written consent of the licensee.

#### **4.3.5 Exploitation of patents**

This refers to the various modes by which patent rights can be exploited or commercialized. This can be through assignment or licenses, which are discussed below.

##### **4.3.5.1 Assignments**

An assignment is a sale of a patent right. In this case, the patentee is totally divested of his rights in the patent and has transferred same to the assignee in return for consideration. By section 24 of the PDA, patents can be assigned, transferred by succession or held in joint ownership. An assignment must be in writing and signed by the parties. It must also be registered and the prescribed fees paid, otherwise it will not be enforceable against third parties. Joint owners may however assign their

own share of the rights separately from that of others in the absence of any agreement to the contrary.

The court has held that the requirement of registration of an assignment or transfer by succession is not a mere moral adjuration, it is a duty under section 24(2) of the PDA to register an assignment, transfer or interest held in joint ownership of a patent. This is because by virtue of this section, an assignment or transfer thereof shall have no effect against third parties unless it has been registered and the prescribed fees paid (*Arewa Textiles Plc v. Finetex Ltd* (2003) 7 NWLR [pt 819] 322).

#### 4.3.5.2 Licenses

A license refers to an authorization given by the patentee (licensor) to a third party (licensee) to make use of the patent for a limited period of time or with respect to specific rights or a geographical area. It is more like a lease of a patent right in which case the patentee retains reversionary interest in the divested rights. We shall discuss three types of licenses under the Act to wit contractual licenses, license of rights and compulsory licenses

##### (1) Contractual licenses

By section 23 PDA, a patentee can grant a license to a third party to exploit the invention or design by a written contract. A license must therefore be in writing. A license can be exclusive, where the right owner grants a single licensee a license in respect of the stipulated acts in the contract or it can be non-exclusive where the right owner is free to grant licenses to others as well. As stated earlier, license can be with regards to certain rights, territory or for a limited period within the validity period of the patent or design. For example, a patentee can give XYZ Ltd the right to manufacture and sell its invention in China without granting this right to any

other person in China. This will be an exclusive license for the jurisdiction of China as the licensee has no competition from any other licensee with respect to same rights in the license. A similar exclusive license may be granted to another licensee in respect of Ghana. In the case of a non-exclusive license, the patentee or licensor would grant more than one person same rights such as having two or more persons manufacture his invention in China at the same time.

The law requires that a license must be registered with the registrar and the prescribed fees paid; until this is done, the license shall have no effect against third parties (section 23(2) PDA). The essence of this is to notify the public of the existence of such a license when they look into the Register. The license shall also be cancelled by the Registrar at the request of the licensor after the termination of the license.

A licensor can only grant a license in respect of the rights that he has himself. Where the scope of the license extends beyond what the law has conferred to the right owner, the license shall be void to such an extent (section 23(3)PDA).

The law generally stipulates that a license does not preclude the right owner from exploiting the patents or industrial designs himself, does not prevent him from issuing other licenses and the licensee cannot grant licenses or assign the license to others. The parties may however by contract agree otherwise. In the absence of any contrary provisions, where joint owners are involved, a licensee cannot be issued separately; it has to be done jointly (section 24(4)).

## (2) License of Rights

When the phrase “licenses of right” is entered with respect to a patent, it means that the patentee is making himself bound to grant all requests for licenses. He would not refuse to grant licenses to prospective licensees. Therefore, a patentee, that is not precluded by the terms of any previously registered license from granting a further license, can apply in writing to the Registrar for the words "licenses of right" to be registered in respect of his patent (Section 10(1) PDA). The Registrar shall then enter the words accordingly in the Register and notify the entry. Once entered, it means any person has the right to obtain a license in respect of the patent upon agreed terms between the licensor and the licensee. Where there is no agreement, it shall be based on terms fixed by the court on the application of the licensee (Section 10(2)(a) PDA).

The advantage or incentive for patentees to make their patents subject to licenses of rights is that the amount of the actual fees payable in respect of the patent is reduced by half from the annual fees first payable after the date of entry of the words “license of rights” (section 10(2)(b) PDA).

This entry can be cancelled upon application to the Registrar. However, in a bid to discourage an abuse of this provision as a mere ploy to reduce the payable annual fees rather than a means of encouraging local production and innovation, if no licenses of right have been granted or where it has been granted and all the grantees agree, the Registrar shall cancel the entry and notify the cancellation. Cancellation can only be after payment of all annual or other fees which would have been payable if the entry had never

been made. A licensee of this type of license shall not assign his interest or create a sub-license. Also, licenses as of right are required to be in writing. Just like voluntary licenses, licenses of right must also be registered.

### (3) Compulsory License

Patents can have significant effect on matters of public interest such as health and national security. In order to balance the monopoly of the patent owner with the public interest, the Government can grant compulsory licenses under section 11 and the First Schedule of the PDA.

A compulsory license is a non-voluntary license granted by the court or government without the consent of the patentee in the interest of the public. Developing countries can maximize the use of compulsory licenses for the purpose of gaining access to affordable medicines particularly in case of health emergencies. This is often deployed in relation to access to essential medicines and technologies especially in cases of pandemics, such as the COVID-19 (Corona Virus) or the HIV/AIDS pandemic. For instance, in the wake of COVID-19, countries, such as Canada, expanded the scope of the grant of compulsory licenses to take care other access to medicine and technology issues. Also, in order to stem the tide of HIV/AIDS, the South African government granted compulsory licenses for the production of Anti-Retroviral drugs (ARV). Article 31 of the TRIPS Agreement provides conditions under which a member state may grant compulsory licenses.

In Nigeria, application for a compulsory license can be made by any person to the Federal High Court after the expiration of a period of four years after the filing of a patent application or three

years after the grant of a patent, whichever period last expires. The grounds for the grant of a compulsory license can be-

- a) that the patented invention, being capable of being worked in Nigeria, has not been so worked;
- b) that the existing degree of working, of the patented invention in Nigeria does not meet on reasonable terms the demand for the product;
- c) that the working of the patented invention in Nigeria is being hindered or prevented by the importation of the patented article; and
- d) that, by reason of the refusal of the patentee to grant licenses on reasonable terms, the establishment or development of industrial or commercial activities in Nigeria is unfairly and substantially prejudiced.

Furthermore, where before an invention can be worked in Nigeria, there is a need to obtain license in respect of an existing invention, a compulsory license may be granted to use the earlier invention if the inventor refuses to grant a voluntary license under reasonable conditions. A compulsory license would only be granted in this regard where the latter invention serves industrial purposes different from those served by the earlier invention or it constitutes substantial technical progress in relation to that earlier invention (Para 2, First Schedule PDA). Where the two inventions serve the same industrial purpose, a compulsory licence would only be granted on the condition that the patentee of the earlier invention would also have a compulsory licence in respect of the latter one, if he so requests (Para 3, First Schedule PDA).

A compulsory licence shall not be granted unless the applicant satisfies the court that he has asked the patentee for a contractual

licence but has been unable to obtain such a license on reasonable terms and within a reasonable time and he offers guarantees satisfactory to the court to work the relevant invention sufficiently to remedy the deficiencies (or to satisfy the requirements) which gave rise to his application (Para 5, First Schedule PDA).

Upon grant, a compulsory license entitles the licensee to carry out any of the rights conferred by patent right except importation. It does not entitle the licensee to grant sub-licences and it is non-exclusive (Para 6, First Schedule PDA). It is not generally transferable except it is being transferred with the undertaking that is granted the licences and even in such situations, the consent of the court is required (Para 7, First Schedule PDA).

It must be noted that compulsory licences do not exclude the licensee from the duty to pay royalties to the right owner. The court fixes the terms and conditions for the licence including the royalties payable under the circumstances (Para 8, First Schedule PDA).

A compulsory licence may be cancelled on the application of the patentee to the court where the licensee fails to comply with the terms of the licence or the conditions which justified the grant of the licence have ceased to exist. Upon the grant, verification or cancellation of a compulsory licence, the proper officer of the court shall inform the Registrar, who shall register the grant, cancellation or variation without fee and the grant, cancellation or variation shall have no effect as against third parties until it has been registered.

It should be noted that the Act stipulates that a representative of the Minister shall have the right to appear and be heard at the hearing of an application for a compulsory licence (Para 12, First Schedule



PDA). In the same vein, the Minister may by order in the Federal Gazette stipulate that certain patented products and processes are of vital importance for the defence or the economy of Nigeria or for public health. Therefore, in such instances, compulsory licences may be granted before the expiration of the usual period and the Minister may also by that order permit importation.

Although compulsory licences are available for the government to address public interests or issues such as epidemics, there are certain challenges that has made it difficult for developing countries like Nigeria to maximise such licences. The first is that the lack of technical know-how particularly for inventions that cannot be worked without the cooperation of the inventor in teaching the technology behind the invention. Since this is a compulsory licence, inventors are not likely to cooperate in teaching the technical knowhow thereby rendering such compulsory licences ineffective. Secondly, lack of local production facilities militates against the effectiveness of the use of compulsory licences in balancing interests.

#### **4.3.6 Use of Patent for the Services of Government Agencies**

Where a Minister is satisfied that it is in the public interest to do so, he may authorise any person to purchase, make, exercise or vend any patented article or invention for the service of a government agency ((Para 15, First Schedule PDA). The authority of the Minister is quite wide in this regard as it may be given before or after the relevant patent has been granted, before or after the doing of the acts in respect of which the authority is given and to any person whether or not he is authorised directly or indirectly by the patentee to make, use, exercise or vend the relevant article or invention.

Once the authority to use a patented invention for the government or any of its agencies, it exempts the government, any person or supplier authorized from an action for infringement of patent rights or the duty to make any payments including royalties to the patentee (Para 17, First Schedule PDA). The powers given to the Minister is therefore too wide under this provision. As much as the intention is to prevent cases in which an inventor fails to work the invention or emergency cases that affect the public interest, not paying any form of compensation to the inventor amounts to not rewarding the inventor at all for his efforts and investments in arriving at the invention.

Once an order has been made in this regard, the Ministry concerned with the act shall furnish the patentee with information, as to the extent of the act as the patentee may from time to time require unless it appears to the Minister that it would be contrary to the public interest to do so

During any period of emergency, the powers exercisable in relation to a patented article or invention on the authority of a Minister shall include power to purchase make, use, exercise and vend the article or invention for any purpose which appears to the Minister necessary or expedient

- a) for the efficient prosecution of any war in which the Federal Republic may be engaged; or
- b) for the maintenance of supplies and services essential to the life of the community; or
- c) for securing a sufficiency of supplies and services essential to the well-being of the community; or
- d) for promoting the productivity of industry, commerce and agriculture; or
- e) for fostering and directing exports and reducing imports (or any class or classes of imports) from all or any countries and for redressing the balance of trade; or

- f) generally, for ensuring that the whole resources of the community are available for use, and are used, in a manner best calculated to serve the interests of the community.

In addition, where a patented article is forfeited under any law relating to customs and excise; and, on any such forfeiture, the Government may use or sell the article as if it had been imported for the use of a government agency in Nigeria. This refers to patented articles seized by the government for violating patent laws or other existing laws such as customs and excise laws.

It should however be noted that the articles in respect of which a Minister may make such order any drugs or pharmaceutical preparations, substances or materials and any plant, machinery or apparatus, whether fixed to the land or not after importation, patented under the law of a country other than Nigeria. Reference to a Minister under this provision also includes a Commissioner and the government agency can be a Federal, State, local authority or voluntary hospital which is partially maintained or supported by the government by way of grants or aids.

**SELF-ASSESSMENT EXERCISE (SAE) 4**

1. What are the differences, if any, in the lapse, nullity and surrender of a patent?
2. How can a patent right be exploited or commercialized.

#### **4.4 Summary**

In this unit, we have examined various issues with regards to patent such as the duration, lapse and nullity of patent rights. The exploitation of patent rights is also important as this is the means of commercialization of patents and is the fulcrum of the reward or incentive of the inventor. However, sometimes, compulsory licences may be granted by the court or a Ministerial order may

permit the working of a patent in order to balance the interest of the patentee with that of the members of the public in the interest of the public.

#### **4.5 References/Further Reading/Web Sources**

- 1) Adejoke O. Oyewunmi, *Nigerian Law of Intellectual Property* (Unilag Press and bookshop Ltd, 2015)
- 2) Jide Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trade Marks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2006)
- 3) Cornish and Llewellyn, *Intellectual Property Law* (5th edition)
- 4) Rory O'Neil, Canada authorises compulsory licences for COVID-19 shortfalls, 27 March 2020, ISIPR, <https://www.lifesciencesipreview.com/news/canada-authorises-compulsory-licences-for-covid-19-shortfalls-3972>
- 5) Patents and Designs Act, Cap P2, Laws of the Federation of Nigeria, 2004, sections 7 – 11, 23-24
- 6) Patents Rules 1971
- 7) *Arewa Textiles Plc v. Finetex Ltd* (2003) 7 NWLR [pt 819] 322
- 8) *Pfizer Inc. v. Polyking Pharmaceuticals Ltd & Anor* (1997-2003) 4 IPLR 215

## MODULE 1 LAW OF PATENT

### **Unit 5: Infringement of Patents**

#### **CONTENTS:**

5.1 Introduction

5.2 Learning Outcomes

#### **5.3 Infringement of Patents**

5.3.1 Action for Patent Infringement

5.3.1 Requirements for Instituting Infringement Actions

5.3.1 Remedies for Patent Infringement

5.3.1 Defences to Infringement Actions

5.3.1 Resolving infringement cases through Alternative Dispute Mechanisms

5.4 Summary

5.5 References/Further Reading/Web Sources

#### **5.1 Introduction**

In this Unit, we shall consider what amounts to infringement of patent rights, the requirements for an action of infringement, remedies and possible defences available in an infringement action.

#### **5.2 Intended Learning Outcomes (ILOs)**

At the end of this study, you should be able to:

1. state the requirements for a successful action of infringement of patent rights
2. explain the remedies available to a patentee in the case of infringement of his rights
3. identify the defences available to a defendant in an action for infringement.
4. Understand the application of ADR to resolving patent infringement cases

#### **5.3 Infringement of Patents**

##### **5.3.1 Action for patent infringement**

Infringement of patent rights occur where the acts reserved exclusively for a patentee are carried out by a third party without the authorization of the patentee (section 25(1) PDA). The exclusive rights granted to a patent owner under Section 6 PDA are the rights to make, import, sell or use the product, or stocking it for the

purpose of sale or use; and where the patent has been granted in respect of a process, the act of applying the process or doing, in respect of a product obtained directly by means of the process, any of the exclusive acts reserved for the patent owner. Where a patent is granted in respect of a process for the manufacture of a new product; and the same product is manufactured by a person other than the patentee, the product shall in the absence of proof to the contrary be presumed to have been manufactured by that process (section 25(3) PDA).

An action for infringement can be brought before the Federal High Court which may sit with and be advised by two assessors having expert knowledge of matters of a technological or economic nature. The court may therefore need the assistance of assessors in understanding and analyzing certain technical matters in relation to patents or the proceedings. Particularly when it comes to analyzing a patent with regards to substantial matters such as its novelty, inventive activity or interpretation of its claims.

### **5.3.2 Requirements for instituting infringement actions**

The person entitled to sue under the Act is a patent owner or an assignee since the assignee steps into the shoes of the patent owner. A licensee may by a registered letter require the licensor to institute infringement proceedings in respect of any acts of infringement indicated by the licensee the letter (section 26 (4) PDA). However, if the licensor unreasonably refuses or neglects to institute the proceedings, the licensee may institute them in his own name, without prejudice to the right of the licensor to intervene in the proceedings.

In order to succeed in an action for infringement, the court established in the case of *James Oitomen Agboronfo v. Grain Haulage and Transport Ltd* (1997-2003) 4 IPLR 139 that the claimant must establish four things to wit:

- a) That his invention was patentable and had been registered as a patent under the PDA
- b) That the defendant did an act reserved for the patentee under section 6 PDA which constituted an infringement of the patent right
- c) That the act of infringement was done without the consent or licence of the Claimant

- d) That the act of infringement falls within the scope of a valid claim of the claimant's patent.

It must be noted that the above are the only requirements for a successful infringement action. It is not a requirement that the patentee should have produced the invention or have some manufacturing capacity for the invention. That the invention has not or is not being sold in the market does not also justify infringement. The registration of a design of a product incorporating the invention or even any other intellectual property right such as a trademark does not justify patent infringement (*James Oitomen Agboronfo v. Grain Haulage and Transport Ltd* (1997-2003) 4 IPLR 139).

Furthermore, the invention need not be copied exactly in order to constitute infringement. Mere what has been copied is the substance of the claim of the patented invention or there are only minor variations or use of mechanical equivalents in order to produce the same results, then the defendant would still be liable (*Proctor v. Bennis* (1887) 37 Ch.D 740).

An assignment or a licence shall not be enforceable against third parties unless it has been registered (section 23(2) and s4(2) PDA, *Arewa Textiles Plc v. Finetex Ltd* (2003) 7 NWLR [pt 819] 322). Liability for infringement can also only arise where the acts of the defendant takes place after the date of filing of the patent since upon grant, the term of the patent commences from the date of filing of the patent under section 7(1) PDA. Acts carried out before the date of filing of the patent would therefore be non-infringing since at such a time, no monopoly rights existed with respect to the invention (see *Uwemedimo v. Mobil Producing (Nig) Ltd* (2011) 4 NWLR (Pt 1236) 80).

It must also be noted that some positive act on the part of the defendant shall be necessary to succeed in an action for infringement. The defendant should be directly responsible for the infringing act or linked to the infringing act. For instance, where infringing products incorporating the invention are being transported by some logistic company as carriers (by air, road or sea), the carriers who may have only transported in the course of their business may not be liable for

infringement (*Smith Kline & French Laboratories Ltd v. RD Harbottle (Mercantile) Ltd & Ors* (1980) RPC 363).

### **5.3.3 Remedies for patent infringement**

A patentee or design owner can institute an action for infringement against the alleged infringer and be entitled to ‘all such relief by way of damages, injunction, accounts or otherwise shall be available to the plaintiff as is available in any corresponding proceedings in respect of the infringement of other proprietary rights’ (Section 25(2) PDA).

Although the PDA expressly stipulates for damages, injunction and accounts as available remedies, the list of remedies available in patent infringement action is not limited to these three. This is because the PDA refers to other remedies that shall be available to the claimant as it is available in a corresponding action in respect of the infringement of other proprietary rights. This means that other remedies that are available to other claimants suing for the infringement of their property rights such as landed property may also be adapted to compensate the wrong done to a patent owner in the case of infringement. Lawyers must therefore maximise this leeway and not be limited to only three remedies in an action for infringement. The three listed remedies and other relevant ones are expatiated below.

#### **5.3.3.1 Damages**

This refers to money claimed or ordered by the court to a person as a compensation for loss or injury. It is the monetary compensation paid to a patent owner for the infringement of his rights. While there are different types of damages, the most common are general and special damages. General damages refer to compensation for losses that naturally flows from the act of the defendant and it need not be proved by the plaintiff as it is presumed by law. Special damages on the other hand are not presumed by law and the plaintiff has to provide evidence in this regard before the courts can grant it.



While there is no hard and fast rule in the determination of damages, factors that can be considered include the amount of royalties had the defendant obtained a contractual licence, amount of trade or business lost by the claimant due to the defendant's sale or use of the infringing goods, duration over which the infringement lasted, damage to the goodwill of the claimant among others. (see *J.T Chanrai & Co (Nig) Ltd v. J K Khawan* (1965) 1 All NLR 182; *Sarg Aims Products v. Akagha* (1994) FHCLR 188).

### 5.3.3.2 Injunction

One of the most important remedies for patent infringement is an injunction since damages may not always be a sufficient remedy. An injunction is an order of the court compelling a party to do or refrain from doing an act. It is an equitable remedy granted at the discretion of the court.

There are different types of injunctions. An interlocutory injunction is granted pending the determination of a case and it is very useful for restraining an alleged infringer from continuing his acts of infringement or for the parties to maintain *status quo* till the matter before the court is finally determined. This would ensure that no further loss comes to the patent owner. A perpetual injunction on the other hand is granted after the final determination of a case when the plaintiff has been able to prove to the court that he has a right which was violated by the defendant.

Another type of injunction is an interim injunction which lasts for a very short time such as till a named date or the happening of an event. It is usually used in cases involving urgency and granted *ex parte* pending an application on notice to the defendant on a later date. Because of the urgency involved, it is not a requirement that the plaintiff must have instituted an action before the court before it is granted. Interim injunctions are therefore very useful where there is concern that delay would cause an irreparable damage.

The conditions for the grant of an injunction are settled in various judicial authorities (*American Cyanamid Co. v. Ethicon Ltd* (1975) 1 ALL ER 504). These conditions include that:

- (i) The plaintiff has to satisfy the court that he has an arguable case. This does not mean a strong case but a prima facie case would be sufficient.
- (ii) Damages must not be a sufficient remedy. This condition is fundamental to the grant of an injunction as where damages are sufficient, an injunction would not be granted.
- (iii) The court would also weigh the balance of convenience before granting an injunction.
- (iv) The financial standing and ability of the defendant to liquidate damages.
- (v) Other conditions include the conduct of the parties (*Saraki v. Kotoye* (1989) 1 NWLR (Pt. 98) 419).
- (vi) Delay by the plaintiff in bringing the action as this may be considered as acquiescence (*Foseco Int. Ltd v. Fordath Ltd* (1975) F.S.R. 507).
- (vii) the plaintiff is also required to give an undertaking as to damages should it be proved that the injunction ought not to have been granted in order to protect the interest of the defendant.

#### **5.3.3.3 Accounts of Profit**

This remedy allows the claimant to recover profits made by an infringer on his patented invention where the defendant has commercially dealt the invention or made profit from it. It is only awarded where the defendant has actually made profits from the act of infringement. The profit that is awarded is usually the net profit i.e the gross profit excluding all other expenses of the defendant in producing the work. The court also determines the amount of profit that accrued directly from the infringing work and not necessarily the entire business of the defendant. Note that a Claimant would not be allowed to have both damages and account of profits in order to prevent double compensation. He has to elect one of these remedies. Therefore, where the profit made by the defendant is not so much, it may be better for a plaintiff to rather sue for damages.

#### **5.3.3.4 Order for seizure and Inspection (Anton Piller Order)**

This order is a special type of injunction issued by the court which allows a plaintiff to enter the premises of the defendant in order to seize and preserve

evidence that is essential to proving the defendant's liability. It is a very important order considering the facts that many times; infringers carry out their acts in secret or are prompt to destroy any evidence linking them to the infringement. The fact that it is made *ex parte* preserves the surprise effect on the defendant who is taken unawares and has no time to hide or destroy evidence.

This order is called Anton Piller order after the case where it was first granted in *Anton Piller KG v. Manufacturing Processes Ltd* (1976) 1 All ER 779. This case stipulated the conditions under which it can be granted. The plaintiff must have a strong prima facie case and potential or actual damage to him should be serious. The defendant should also be in possession of evidence that is vital to the plaintiff's case and a real possibility of the defendant destroying or disposing of such evidence. Note that being fundamentally an injunction, other conditions for the grant of an injunction also applies here. The court in this case distinguished this order from a search warrant in that it puts pressure on the defendant to permit the plaintiff to enter into his premises otherwise he may risk being committed for contempt of court.

#### **5.3.3.5 Conversion or Delivery Up**

The patent owner may be able to request the court that all the infringing copies and materials used in their production should be converted to or delivered to him by the defendant.

#### **5.3.3.6 Destruction**

A Claimant may also be entitled to request for the destruction of the infringing products as a general civil remedy that 'is available in any corresponding proceedings in respect of infringement of other proprietary rights'. Destruction would be useful where the works made by the infringer are of lesser quality, which is usually the case. The owner may want such goods to be destroyed in order to avoid any damage to his reputation or the quality of his works.

### **5.3.4 Defences to infringement actions**

Available defences to an action for infringement include where the acts of the defendant fall within the exceptions to patent rights as discussed in 3.6 under Unit 2 such as acts done for private and non-commercial uses. Also, another defence would be where the defendant has license such as a compulsory licence or even a contractual licence (see 3.5.2 in Unit 3 of this course). Where the use by the defendant has been authorized by the Minister for the use of the government or any of its agencies, this shall also be a defence to an action for infringement.

### **5.3.5 Resolving infringement cases through Alternative Dispute Mechanisms (ADR)**

Due to technical matters involved, patent infringement actions can also be resolved by alternative dispute resolution mechanisms (ADR). ADR provides the advantage of the parties choosing the third party or parties to be involved in the resolution of the dispute, they can also afford to choose experts in the field to which the invention relates and those familiar with the concept of patents. Speedy resolutions of disputes and saving of costs are some reasons parties choose ADR mechanisms.

There are various ADR mechanisms the parties can employ such as Negotiation, Mediation, Conciliation, Arbitration and a combination of either of these. Many other modern ADR methods are useful in the resolution of disputes. ADR however requires parties to voluntarily submit to the authority of a third party to resolve their disputes. The decision of the neutral third party may also not be binding except it is accepted by the parties. The exception in this case is the award of an Arbitral tribunal. The Arbitration and Conciliation Act, Cap A 18, LFN 2004 is the relevant law that regulates commercial arbitration and conciliation in Nigeria.

Where there is an existing relationship between the parties such as licensor and licensee, it is useful to include ADR provisions that stipulate the choice of neutral third party, place, language of the proceedings, applicable law, time frame of the ADR process among others. This will guide the parties in the resolution of their disputes and be a starting point in the resolution process.

#### **SELF-ASSESSMENT EXERCISE (SAE) 5**

1. What are the essential requirements the claimant is to establish in order to succeed in an action for patent infringement?
2. If successful in an action for patent infringement, what remedies are available to a Claimant?

## 5.4 Summary

The carrying out of any of the exclusive acts reserved for the patent owner without proper authorization amounts to infringement. The law provides for remedies in the case of the infringement of the rights of a patent owner. Such remedies include damages, injunction and accounts. The available remedies are however not limited to these three as the patentee is entitled to other remedies available to a Claimant in an action of infringement of his proprietary interest such as destruction and Anton Piller order. Beyond the four walls of the court, ADR is becoming significant in resolving commercial disputes and it is therefore essential for speedy and smooth resolution of patent infringement issues as well.

## 5.5 References/Further Reading

- 1) Adejoke O. Oyewunmi, *Nigerian Law of Intellectual Property* (Unilag Press and bookshop Ltd, 2015)
- 2) Jide Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trade Marks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2006)
- 3) Patents and Designs Act, Cap P2, Laws of the Federation of Nigeria, 2004, sections 6, 25-26 PD
- 4) *James Oitomen Agboronfo v. Grain Haulage and Transport Ltd* (1997-2003) 4 IPLR 139
- 5) *Proctor v. Bennis* (1887) 37 Ch.D 740
- 6) *Arewa Textiles Plc v. Finetex Ltd* (2003) 7 NWLR [pt 819] 322
- 7) *Uwemedimo v. Mobil Producing (Nig) Ltd* (2011) 4 NWLR (Pt 1236) 80)
- 8) *Pfizer Inc v. Polyking Pharmaceuticals Ltd & Anor* (1997-2003) 4 IPLR 215
- 9) *Beddings Holdings v. INEC & Ors* (2014) 3 CLRN 147
- 10) *Smith Kline & French Laboratories Ltd v. RD Harbottle (Mercantile) Ltd & Ors* (1980) RPC 363
- 11) *J.T Chanrai & Co (Nig) Ltd v. J K Khawan* (1965) 1 All NLR 182
- 12) *Sarg Aims Products v. Akagha* (1994) FHCLR 188
- 13) *Kotoye v. CBN*(1989) 1 NWLR [pt 98] 419
- 14) *Obeya Memorial Hospital v. AGF* (1987) 3 NWLR [pt 60] 325

- 15) *Foseco Int. Ltd V. Fordath Ltd* (1975) F.S.R. 507
- 16) *Saraki v. Kotoye* (1989) 1 NWLR (Pt. 98) 419
- 17) *American Cynamid Co. v. Ethicon Ltd* (1975) 1 ALL ER 504

## MODULE 2 – INDUSTRIAL DESIGNS

### **Unit 1: Introduction to Industrial Designs**

#### **CONTENTS:**

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 **Introduction to Industrial Designs**
  - 1.3.1 Definition and Objectives of the Protection of Industrial Designs
  - 1.3.2 Requirements for Instituting Infringement Actions
  - 1.3.3 Remedies for Patent Infringement
  - 1.3.4 Defences to Infringement Actions
  - 1.3.5 Resolving infringement cases through Alternative Dispute Mechanisms
- 1.4 Summary
- 1.5 References/Further Reading/Web Sources

#### **1.1 Introduction**

Industrial designs can be seen in various manufactured products all around us. These includes the shape of our phones, laptop, cars, shoes, clocks, alloy wheels and so on. Essentially, the law protects the design of various manufactured products in recognition of the efforts and resources invested by designers in the creation of aesthetic and creative designs as applied to such products. This module shall examine the concept of industrial designs and how this intellectual property right is protected by the Patents and Designs Act 1970. It must be stated that since industrial designs are protected under the same legislation as patents, certain provisions and concepts discussed with regards to patent rights under Module One are also applicable to Industrial designs. This module shall therefore not repeat some of these common provisions in details.

With industrial revolution, the shape of manufactured products became important as each manufacturer sought to distinguish itself through the aesthetic design of its product. This chapter shall introduce you to the protection of design rights in Nigeria.

## **1.2 Intended Learning Outcomes**

At the end of this study, you should be able to:

1. understand the meaning of an industrial design
2. explain the rationale of the legal protection of industrial designs
3. understand the history of the protection of industrial designs in Nigeria.

## **1.3 Introduction to Industrial Designs**

### **1.3.1 Definition and Objectives of the Protection of Industrial Designs**

Industrial design refers to the shape, color and other aesthetic characteristics of industrially produced products. An industrial design is therefore the aspect of a product or article which is ornamental or aesthetic. It can be three-dimensional such as the shape or surface of the article, or two - dimensional such as patterns, lines or color. An industrial design must therefore relate to the appearance of a product and does not extend to those aspects of the product which are not determined by technical or functional necessity.

Sometimes when products serve the same purposes, what persuades consumers to choose a particular product over another is the aesthetic design of the product. Companies and designers therefore put in intellectual and creative efforts in making beautiful designs that will appeal to the eyes and senses of customers. Designs are therefore an important marketing tool. As an intellectual property right, the statutory creator of an industrial design is granted exclusive rights in respect of the design for a limited period within which he can recoup his investment in the creation of the design and also get reward for his efforts in the design.

Industrial designs also encourage creativity thereby leading to more aesthetically appealing and diversified products. Also, because industrial designs can be relatively

simple and inexpensive to develop, they are reasonably accessible to small and medium scale enterprises, individuals, artists and craftsmen.

Although industrial designs relate to things appealing to the eyes and visual images of a product, they differ from trademarks in that they are applicable to products alone and also need not be distinctive. Industrial designs also differ from patents because patents protect the functionality of an object while industrial design protects the shape and other aesthetic features of the object.

A design is a pattern or representation which the eye can see and which can be applied to a manufactured article. (*Re Clarke's Registered Design* (1896) 2 Ch. 38). 'Any combination of lines or colours or both, and any three-dimensional form, whether or not associated with colours, is an industrial design, if it is intended by the creator to be used as a model or pattern to be multiplied by industrial process and is not intended solely to obtain a technical result' (section 12 PDA).

From the definition above, it is clear that a design can be two dimensional in which case it is a combination of lines or colors or both. A design can therefore consist of the arrangement of straight lines and stripes (*F.O Ajibiowo & Co Ltd v. Western Textiles Mills Ltd* [1976] 7 S.C 97). Hence, textile designs are protectable as industrial design.

An industrial design can also be three dimensional in which case, it protects the shape of an article or product. In this case, the design must be intended to be multiplied by an industrial process or used as a model. Where the design is not intended for industrial multiplication or use as a model, copyright is a more appropriate intellectual property right to protect such designs. Examples of such designs protectable through copyright are sculptures, drawings, carvings and other handicrafts which are protectable as artistic works (section 1(1) and 51 Copyright Act). Designs which are intended to operate as a model or to be multiplied by an industrial process are excluded from copyright protection under section 1(3) of the Copyright.



Note also that industrial designs are intended to protect the aesthetic creativity of a product. Hence, a design that achieves ONLY a technical result will not be registered, but if it combines both aesthetics with technicality or even only aesthetics, it can be registered. A design would be said to achieve only a technical result where the same result cannot be achieved if the shape or design is varied.

### 1.3.2 History of Industrial Designs Law in Nigeria

Like many other aspects of Nigerian law, the history of the protection of registered designs in Nigeria can be traced to the English legal system. Industrial designs in the United Kingdom initially protected designs in the textile industry through the Designing and Printing of Linens, Cotton, Calicoes and Muslins Act 1787. This law protected the inventor, designer or printer of any new pattern for a period of two months.

Industrialization led to introduction of methods of mass production and proliferation of industrially made goods. This necessitated the need to protect the design of such products, hence the law protecting designs was extended to cover the design of these manufactured articles. This was achieved through the Designs Act of 1842 which protected patterns, shapes or ornaments applied to products. In 1883, there was a codification of the Patents, Designs and Trademarks Act in one single legislation. Subsequently, the Registered Designs Act of 1949 was passed which essentially remains in force in the United Kingdom subject to amendments made in the Copyright, Designs and Patents Act 1988.

With regards to Nigeria, the United Kingdom Designs (Protection) Ordinance (No 36) of 1936 protected designs registered in the UK in Nigeria. Such designs enjoy protection in Nigeria as though it were originally registered in Nigeria. This position continued even after the independence of Nigeria in 1960. Hence, anyone interested in registering a design had to do so in the United Kingdom. The first indigenous legislation governing industrial designs was however enacted in 1970 as the Patents and Designs Act which is the extant law till date.

#### SELF-ASSESSMENT EXERCISE (SAE) 6

1. What are industrial designs?
2. What are the differences if any between industrial designs and trademarks and industrial designs and patents?

#### **1.4 Summary**

Industrial designs are essential in distinguishing manufactured goods and they are important in ensuring that such goods are appealing to the eyes of the consumer. Companies make use of it as a marketing strategy to ensure customers are well pleased by the aesthetic designs of their products. It therefore means that the creation of new designs entails investment of time, money, intellectual and creative efforts. The industrial design law protects this investment and ensures that design creators are able to recoup their investment and also have a reward for their labour.

#### **1.5 References/Further Reading**

- 1) Adejoke O. Oyewunmi, *Nigerian Law of Intellectual Property* (Unilag Press and bookshop Ltd, 2015)
- 2) Jide Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trade Marks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2006)
- 3) Patents and Designs Act, Cap P2, Laws of the Federation of Nigeria, 2004, section 12
- 4) *Re Clarke's Registered Design* (1896) 2 Ch. 38
- 5) *F.O Ajibiowo & Co Ltd v. Wetern Textiles Mills Ltd* [1976] 7 S.C 97

## MODULE 2 INDUSTRIAL DESIGNS

### **Unit 2: Requirements for registration and Non-Registrable Industrial Designs**

#### **CONTENTS:**

2.1 Introduction

2.2 Learning Outcomes

**2.3 Requirements for registration and Non-Registrable Industrial Designs**

2.3.1 Requirements for the Registration of an Industrial Design

2.3.2 Non-Registrable Industrial Designs

2.4 Summary

2.5 References for Further Reading

#### **2.1 Introduction**

Just like patents, industrial designs require registration with the Patents and Designs registry before it can confer rights on the statutory creator. Before a design can be registered under the Act, it must fulfill certain essential requirements. Also, some types of designs are excluded from protection under the Act. This Unit shall examine the requirements for the registration of an industrial design and the non-registrable designs under the Act.

#### **2.2 Intended Learning Outcomes**

At the end of this study, you should be able to:

1. understand the various requirements for the registration of an industrial design
2. identify non-registrable industrial designs under the Act.

#### **2.3 Requirements for registration and Non-Registrable Industrial Designs**

##### **2.3.1 Requirements for the registration of an industrial design**

There are two essential requirements that must be fulfilled for an industrial design to be registered under the Patents and Designs Act. These are that the design should be new and not contrary to public order or morality (section 13(1) PDA). These two requirements shall be discussed below.

### 2.3.1.1 Newness

Generally, an industrial design is presumed to be new at the time of the application for registration except it contradicts the provisions of the Act (section 13(2) PDA). 'An industrial design is not new if, before the date of application for registration, it has been made available to the public anywhere and at any time by means of description, use or in any other way, unless it is shown to the satisfaction of the Registrar that the creator of the design could not have known that it had been made so available' (Section 13(3) PDA).

The standard of newness of an industrial design is not as strict as the novelty or newness of a patented invention. It does not necessarily mean that the design should be a totally new concept that has not been known before. It suffices if it is a known concept that is applied to a manufactured product in an ingenious way. Hence, the representation of Westminster Abbey applied to the handle of a spoon was held to be new (*Saunders v. Wiel* (1893) 10 RPC 29). Newness of a design, therefore, means novelty either in the pattern, shape or ornament itself or in the way in which an old pattern, shape or ornament is to be applied to some special subject matter (*Controlled Plastics v. Black Horse Plastics Ltd* (1990-1991) FHCLR 180).

There can be a prior publication or disclosure of an industrial design if it has been used, described or made available to the public by any other way. The relevant public is anywhere (worldwide, not just Nigeria) and at any time.

This prior publication of a design is not just when the drawing or model incorporating the design is made available to members of the public. The sale or public use of a product incorporating the design prior to the date of application for the registration of the design defeats the newness of the design. For instance, where the design of plastic sandals was published

(selling of the sandals) as from September 1980 and the application for registration made on 13th February 1981, the court held that the design was not new (see *Iyeru Okin Plastic Industries Ltd v. Metropolitan Industries (Nig) Ltd* (1986) FHC 336). The product incorporating should not also be test run in order to determine its success in the market prior to filing for design registration, otherwise such trial market sales shall defeat the newness of the design (See *Peter E. Venture (Nig) Ltd v. Gazasonner Ind. Ltd & Anor* [1998] 6 NWLR [pt 555] 619).

It is not necessary that every member of the public should have seen the design. It is sufficient where the design is made available to the public or shown or disclosed to some individuals who have no obligation of secrecy.

Where the creator of the design can however show that he could not have reasonably known that it had been made available to the public, eg where a worker that is sworn to secrecy or under an implied obligation of confidence reveals it to others unknown to the creator, he may still be able to preserve the newness of the design (*Spivap (Nig) Ltd v. Bola Alaba & Ors* (1991) FHCLR 181). Disclosure by a design creator to a textile factory responsible for manufacturing the textile also does not defeat novelty (*Ajibowo & Co Ltd v. Western Textile Mills Ltd* (1976) 7 SC 97). Disclosure to some other person dealing with the product or who has an interest in the design is also excluded such as where the design is showed to a commission agent who had the sole right of selling the design proprietor's goods in England (*Bank v. Footman, Pretty & Co* (1888) RPC 653).

Just as in patents, an industrial design is not deemed to have been made available to the public solely by reason of the fact that within the period of six months preceding the filing of the application for registration the creator has exhibited it in an official or officially recognised exhibition (section 13(4) PDA). However, an industrial design is not new merely because it differs in minor or inessential ways from an earlier design or

concerns a type of product other than the type with which an earlier design is concerned (section 13(5) PDA). Hence, where a person varies his own design in minor details from pre-existing ones, the court will hold that the latter is still not new. In *Densy (Nig) Ltd v. Uzokwe* (1999) 2 NWLR [pt 591] 392, the court held that ‘A mere trade or business variation without more is a mere garb which is incapable of wearing the nomenclature ‘new’. Thus, a design which is cosmetically different from an earlier one may amount to a trade gimmick which is designed essentially or materially to overreach the business society and equity will not make available its sympathetic hands to such a design’. In the same vein a design is not necessarily new where an existing design for a product is applied to another product. An example is applying the design of a soap dispenser attached to the wall to a toothpaste dispenser.

#### 2.3.1.2 Not Contrary to Public Order/Morality

For a design to be registrable, it must not be contrary to public order or morality. What is public order or morality is not defined in the Act but is determined by the courts on a case by case basis. The test is also not that of an overly permissive or extremely conservative member of the society. Rather the court shall view the morality of the design from the perspective of a reasonably decent person in the society. It must however be born in mind that the concept of morality changes from society to another and also from time to time depending on the social milieu at the time. Nevertheless, any design that would cause public unrest, immoral, anti-cultural or offensive will not be registered. An example is a design which denigrates one ethnic group or religious sect in Nigeria.

#### **2.3.2 Non-Registrable Industrial Designs**

Certain designs are excluded from registration as Industrial Designs by virtue of Rule 22 of the Design Rules, 1971. This is usually because such designs are suitable for protection by other intellectual property rights such as copyright. Also, they are usually applicable to non-industrially manufactured articles or goods.

Therefore, designs to be applied to any of the following articles are excluded from registration, namely-

- a) works of sculpture other than casts or models used or intended to be used as models or patterns to be multiplied by any industrial process;
- b) wall plaques and medals.
- c) printed matter primarily of a literary or artistic character, including book jackets, calendars, certificates, coupons, dressmaking patterns, greeting cards, leaflets, maps, plans, postcards, stamps, trade advertisements, trade forms, and cards transfers and the like.

**SELF-ASSESSMENT EXERCISE (SAE) 7**

1. What are the requirements of the registration of an industrial design?
2. Identify the types of designs that are non-registrable under the PDA.

## **2.4 Summary**

In this unit, we have examined the two requirements for the protection of industrial designs, which are that the design must be new and it must not be contrary to public order and morality. In order to prevent prior disclosure, is it best to file first for registration before testing the product incorporating the design in the market. In addition, we have also examined the non-registrable designs which are already protected by copyright law.

## **2.5 References/Further Reading**

- 1) Adejoke O. Oyewunmi, *Nigerian Law of Intellectual Property* (Unilag Press and bookshop Ltd, 2015)
- 2) Jide Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trade Marks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2006)
- 3) Patents and Designs Act, Cap P2, Laws of the Federation of Nigeria, 2004, section 13
- 4) *Metropolitan Industries (Nig) Ltd* (1986) FHC 336
- 5) See *Peter E. Venture (Nig) Ltd v. Gazasonner Ind. Ltd & Anor* [1998] 6 NWLR [pt 555] 619
- 6) *Densy (Nig) Ltd v. Uzokwe* (1999) 2 NWLR [pt 591] 392
- 7) *Controlled Plastics v. Black Horse Plastics Ltd* (1990-1991) FHCLR 180

- 8) *Saunders v. Wiel* (1893) 10 RPC 29).
- 9) *Spivap (Nig) Ltd v. Bola Alaba & Ors* (1991) FHCLR 181
- 10) *Ajibowo & Co Ltd v. Western Textile Mills Ltd* (1976) 7 SC 97
- 11) *Bank v. Footman, Pretty & Co* (1888) RPC 653



## MODULE 2 INDUSTRIAL DESIGNS

### **Unit 3: Registration of Industrial Designs**

#### 3.1 Introduction

#### 3.2 Learning Outcomes

#### 3.3 **Registration of Industrial Designs**

##### 3.1 Right to the Registration of an Industrial Design

##### 3.2 Application for the Registration of an industrial design

##### 3.3 Foreign Priority

##### 3.4 Examination and Grant

##### 3.5 Rights Conferred by Registration

##### 3.6 Limitation to the Rights of a Statutory Creator

#### 3.4 Summary

#### 3.5 References/Further Reading/Web Sources

### **3.1 Introduction**

This Unit shall explain the procedure for the registration of an industrial design at the Patents and Designs Registry. An understanding of this process is key since the protection of industrial designs lies on a valid registration by the Registry. The rights granted by a registered design and the exceptions to those rights shall also be discussed in this Unit. Some of the fundamental principles underlying the registration and grant of patent rights as discussed in Unit 3 of Module One are also applicable to Industrial Designs.

### **3.2 Intended Learning Outcomes (ILOs)**

At the end of this study, you should be able to:

1. explain the process of application for registration of an industrial design
2. understand the process of examination and grant of an application for the registration of an industrial design
3. know the rights granted by a registered design and the exceptions to those rights.

### **3.3 Registration of Industrial Designs**

#### **3.3.1 Right to the Registration of an Industrial Design**

The right to registration of an industrial design is vested in the statutory creator (section 14(1) PDA). The statutory creator is the first person (natural person or body corporate), whether or not he is the true creator, who is the first to file or validly claim a foreign priority for an application for registration of the design. Nigeria therefore operates a first to file system in this regard.

The true creator is the natural person who created the design and he may or may not be the statutory creator, where the latter is the one vested with the rights of the registered design. The true creator however, shall be entitled to be named as such in the Register and this entitlement shall not be modifiable by contract (section 14(2) PDA).

The true creator is further protected by the Act in instances where the application of registration is made without his consent or the design was obtained fraudulently. Section 14(3) PDA provides that if the essential elements of an application for the registration of an industrial design have been obtained by the purported applicant from the creation of another person without the consent of that other person both to the obtaining of those essential elements and to the filing of the application, all rights in the application and in any consequent registration shall be deemed to be transferred to that other person.

An industrial design created in the course of employment or in the execution of a contract for the performance of specified work is owned by the employer or the person who commissioned the work. However, where the creator is an employee, then, if his contract of employment does not require him to exercise any creative activity but he has in creating the design used data or means that his employment has put at his disposal, he shall be entitled to fair remuneration taking into account his salary and the importance of the design which he has created; and this entitlement is not modifiable by contract and may be enforced by civil proceedings (section 14(5) PDA).

### **3.3.2 Application for the Registration of an industrial design**

An application for the registration of an industrial design is made to the Registrar and must contain the following:

- 1) a request for registration of the design,
- 2) the applicant's full name and address and, if that address is outside Nigeria, an address for service in Nigeria,
- 3) a specimen of the design or a photographic or graphic representation of the design with any printing block or other means of reproduction from which the representation was derived,
- 4) an indication of the kind of product (or, where a classification has been prescribed, the class of product) for which the design will be used,
- 5) the prescribed fee,
- 6) where appropriate, a declaration signed by the true creator requesting that he be named as such in the Register and giving his name and address, and
- 7) if the application is made by an agent, a signed power of attorney
- 8) such other matter as may be prescribed (section 15(1) PDA).

Where an applicant is claiming foreign priority, the following are required:

- 1) he shall append to his application a written declaration showing-
  - i. the date and number of the earlier application,
  - ii. the country in which the earlier application was made, and
  - iii. the name of the person who made the earlier application; and
- 2) Not more than three months after the making of the application, he shall furnish the Registrar with a copy of the earlier application certified correct by the Industrial Property Office (or its equivalent) in the country where the earlier application was made. (section 15(3) PDA).

Section 15(2) PDA provides that a single application for registration of an industrial design may relate to any number of industrial designs not exceeding fifty, if the products to which the designs relate are of the same kind or, where a classification has been prescribed, of the same class. However, Rule 10 of the Design Rules provides that where it is desired to register the same design in

respect of more than one article, a separate application shall be made in respect of each article. In that case each application shall be numbered separately and shall be treated as a separate and distinct application.

The application should state clearly the features of the design and if required by the Registrar in any case so to do, the applicant shall endorse on each of the representations or specimens a statement satisfactory to the Registrar.

Identical representations or specimens (usually three or four) of the design must be attached to the application in a form satisfactory to the Registrar. Where the design is applied to a set of articles, the representation is to show the design as applied to each different article included in the set.

When words, letters or numerals appear in the design but are not of the essence of the design, they should be removed from the representations or specimens, but if they are of essence, the Registrar may require the insertion of a disclaimer of any right to their exclusive use (Rule 18).

Rule 20 requires that where a portrait of the President or of any member of the National Assembly, or a reproduction of the armorial bearings, insignia, orders of chivalry, decorations or flags of any country, state, city, borough, town, place, society, body corporate, institution or person appears on a design, the Registrar, before proceeding to register the design, shall be furnished with a consent to the registration and use of such portrait or reproduction from such official or other person as appears to the Registrar to be entitled to give consent) and in default of such consent he may refuse to register the design.

Similarly, where the name or portrait of a living person appears on a design, the Registrar shall be furnished with consent from such person before proceeding to register the design. In the case of a person recently dead, the Registrar may call for consent from his personal representative before proceeding with the registration of a design on which the name or portrait of the deceased person appears (Rule 21).

### **3.3.3 Foreign Priority**

The concept of foreign priority has earlier been explained under Unit 3.3 in Module One. Priority date applies to a foreign application that has first been applied for in another contracting state to an international IP treaty which application can still be made in other contracting states within the priority period without the prior application affecting the newness of the subsequent application in the other countries. The priority period for designs is six months (section 27(2)(b) PDA; Article 4, Paris Convention)

### **3.3.4 Examination and grant**

The Registrar only examines the application for registration as to its conformity with the formalities as stipulated in section 15 of the PDA. The only substantive examination carried out by the Registrar is whether the design is contrary to public order or morality under section 13(1)(b) PDA (Section 16(1) PDA). He cannot examine the newness of the design (Section 16(2) PDA). Nigeria therefore also operates a registration system in this regard and not an examination system. Upon registration, the applicant is issued a certificate and the Register shall record the registration in the Register of Industrial Designs. The Registrar shall also cause a notification of the registration to be published (section 17 PDA).

### **3.3.5 Rights conferred by registration**

The registration of an industrial design confers upon the registered owner the right to preclude any other person from doing any of the following acts-

- (a) reproducing the design in the manufacture of a product;
- (b) importing, selling or utilising for commercial purposes a product reproducing the design; and
- (c) holding such a product for the purpose of selling it or of utilising it for commercial purposes (section 19(1) PDA).

Therefore, anyone that reproduces the design in the manufacture of a product or deals commercially with a product replicating the design must do so with the consent of the design owner. Anyone that does any of the above acts without the consent of the registered owner will have infringed on the rights of the owner and

can be made liable in civil proceedings. Note that even where the alleged infringer merely distinguishes his design from the registered one in minor or inessential details or where he applies the design to other types of products, he will still be held liable for infringement (section 19(2) PDA). For instance, where the design of a product is originally for a coffee machine and the alleged infringer copies the design for a soap dispenser.

### 3.3.6 Limitation to the Rights of a Statutory Creator

The rights conferred on a registered owner only extend to acts done for commercial or industrial purposes; and do not cover acts done in respect of a product incorporating a registered industrial design after the product has been lawfully sold in Nigeria (Section 19(2) PDA). Private and non-commercial uses are therefore exempted from the scope of monopoly rights conferred on the design owner. So a buyer of a product incorporating an industrial design can validly use it or sell it without being accused of infringement.

#### SELF-ASSESSMENT EXERCISE (SAE) 8

1. What is the concept of foreign priority in an application for design registration?
2. Discuss the rights granted to an owner of a registered design under the PDA.

### 3.4 Summary

This unit has shed light on the procedure for the application of industrial designs. It examined the concept of foreign priority and the examination as well as grant of design rights. Applicants must therefore ensure they comply with this procedure in order to have valid design rights.

### 3.5 References/Further Reading/Web Sources

- 1) Adejoke O. Oyewunmi, *Nigerian Law of Intellectual Property* (Unilag Press and bookshop Ltd, 2015)
- 2) Jide Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trademarks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2006)
- 3) Patents and Designs Act, Cap P2, Laws of the Federation of Nigeria, 2004, section 14-19

- 4) Design Rules 1971, Rules 1-30

## MODULE 2 INDUSTRIAL DESIGNS

### **Unit 4: Subsistence and Exploitation of Industrial Designs**

#### 4.1 Introduction

#### 4.2 Learning Outcomes

#### **4.3 Subsistence and Exploitation of Industrial Designs**

##### 4.3.1 Duration and Renewal

##### 4.3.2 Renunciation and Nullity of Registered Industrial Designs

##### 4.3.3 The Exploitation of Registered Designs

#### 4.4 Summary

#### 4.5 References for Further Reading

### **4.1 Introduction**

Registration of industrial designs grant monopoly rights to the design owner, albeit for a limited period of time within which the design owner can exploit or commercialise it in order to obtain a reward for the investments made in the creation of the design and also make profits therefrom. This Unit shall discuss the alternatives open to design owners in exploiting their designs.

### **4.2 Intended Learning Outcomes**

At the end of this study, you should be able to:

1. know the duration of design rights
2. understand the procedure for renewal, renunciation and nullity of industrial designs
3. know the various alternatives open for the exploitation of industrial designs through assignments and licences

### **4.3 Subsistence and Exploitation of Industrial Designs**

#### **4.3.1 Duration and Renewal**

The registration of an industrial design is valid for an initial period of five years from the date of the application for registration and, on payment of the prescribed fee, it can be renewed for two further consecutive periods of five years (section

20(1) PDA). This brings the total duration of a registered design to maximum of fifteen years. The short duration of designs may be suitable for industries producing designs at a very fast pace such that the marketability of a design is short lived. An example is the textile or fashion industry. Hence, such designs may not be renewed if the owner wishes.

In order to renew the registration of an industrial design, the renewal fees shall be paid within twelve months immediately preceding the renewal period. Whoever a period of grace of six months after the beginning of the renewal period is allowed for the payment of the renewal fee. Once this is done together with any surcharge, the design shall be deemed renewed. The renewal of an industrial design shall be registered and notified. This must also be done when the design ceases to have effect.

#### **4.3.2 Renunciation and Nullity of Registered Industrial Designs**

By section 21 of the PDA, a design owner can renounce the registration of the design through a written declaration in this regard and addressed to the Registrar. By renouncing his rights, the registered design owner relinquishes his monopoly rights in the design which can now be in the public domain and be freely used by members of the public. The renunciation need not be total with respect to the entire granted design right. It can be limited to any particular kind or kinds of product, any classification of products, or any number of designs among several designs registered. Where a licensee already acquired rights in respect of the renounced design, the design owner must accompany the declaration for renunciation with a written consent of the licensee to the renunciation or evidence that the licensee has in the licence contract agreed that the provisions of the Act requiring the licensee's written consent for renunciation shall not apply to their licence relationship. This provision therefore protects a licensee who may have furnished consideration already to the design owner. Like many other subsequent dealings with respect to a registered right, renunciation must also be registered and notified before it can have effect.

With regards to nullity of registration of an industrial design, section 22 empowers the court, on the application of any person (including a public officer acting in the



exercise of his functions), to declare the registration of an industrial design to be null and void where it is established that the design fails to fulfill the requirements of the registration and also where the design right is not vested in the right persons under the provisions of section 14 of the PDA.

The declaration of nullity can be with respect to the entire design registration or relate only to some designs where there are several designs. The effect of a declaration of nullity is that the registration in question shall be deemed, to the extent specified in the declaration, to have been null and void *ab initio*. However, it shall not be necessary to repay royalties paid by any licensee unless the court so orders. The appropriate officer of the court shall inform the Registrar who shall register and notify the declaration.

In a proceeding for nullity of registration, the court shall first give the design owner an opportunity to be heard and have regard only to the state of affairs existing when the proceedings were instituted. Where the applicant (not being a public officer) fails to satisfy the court that he or she has material interest in making the application for a declaration of nullity of registration, the court shall dismiss the application. For example, while competitors who may be interested or have similar designs may be argued to have material interest in the declaration of nullity; an applicant from a totally different industry who does not need the design at all would not be allowed to nullify a registered design for nullification case with no material interest in the action.

### **4.3.3 The Exploitation of registered designs**

The provisions governing contractual licences and assignment of rights of patents also apply to industrial designs. It must be noted that the Act does not make provision for compulsory licences or licences of right with respect to industrial designs. This is because designs, unlike patents, are more about the aesthetics of products and are consequently hardly life threatening or inimical to public interest, health or science and technology.

#### **4.3.3.1 Assignment**

An assignment is a sale of a design right. In this case, the design owner is totally divested of his rights in the design and has transferred same to the assignee in return for consideration. By section 24 of the PDA, designs can be assigned, transferred by succession or held in joint ownership. An assignment must be in writing and signed by the parties. It must also be registered and the prescribed fees paid, otherwise it will not be enforceable against third parties. Joint owners may however assign their own share of the rights separately from that of others in the absence of any agreement to the contrary.

The court has held that the requirement of registration of an assignment or transfer by succession is not a mere moral adjuration, it is a duty under section 24(2) of the PDA to register an assignment, transfer or interest held in joint ownership of a design. This is because by virtue of this section, an assignment or transfer thereof shall have no effect against third parties unless it has been registered and the prescribed fees paid (*Arewa Textiles Plc v. Finetex Ltd* (2003) 7 NWLR [pt 819] 322).

#### **4.3.3.2 Contractual Licences**

By section 23 PDA, a design owner can grant a licence to a third party to exploit the invention or design by a written contract. A licence must therefore be in writing. A licence can be exclusive, where the right owner grants a single licensee a licence in respect of the stipulated acts in the contract or it can be non-exclusive where the right owner is free to grant licences to others as well. As stated earlier, licence can be with regards to certain rights, territory or for a limited period within the validity period of the design. For example, a design owner can give XYZ Ltd the right to manufacture and sell products incorporating its designs in Taiwan without granting this right to any other person in Taiwan. This will be an exclusive licence for the jurisdiction of Taiwa as the licensee has no competition from any other licensee with respect to same rights in the licence. A similar exclusive licence may be granted to another licensee in respect of South Africa. In the case of a non-exclusive licence, the design owner or

licensor would grant more than one person the same rights such as having two or more persons use his design in South Africa at the same time.

The law requires that a licence must be registered with the registrar and the prescribed fees paid; until this is done, the licence shall have no effect against third parties (section 23(2) PDA). The essence of this is to notify the public of the existence of such a licence when they look into the Register. The licence shall also be cancelled by the Registrar at the request of the licensor after the termination of the license.

A licensor can only grant a licence in respect of the rights that he has himself. Where the scope of the licence extends beyond what the law has conferred to the right owner, the licence shall be void to such an extent (section 23(3)PDA).

The law generally stipulates that a licence does not preclude the right owner from exploiting the industrial designs himself, does not prevent him from issuing other licences and the licensee cannot grant licences or assign the licence to others. The parties may however by contract agree otherwise. In the absence of any contrary provisions, where joint owners are involved, a licence cannot be issued separately; it has to be done jointly (section 24(4)).

#### **SELF-ASSESSMENT EXERCISE (SAE) 9**

1. what is the difference between the renunciation and nullity of an industrial design?
2. In what ways can a creator or owner of an industrial design exploit it commercially?

#### **4.4 Summary**

Licences and assignments are essential to the commercialization of industrial designs. Design owners who cannot effectively or directly incorporate the design in products can make use of licences and assignments to enable others who have the resources to exploit the design while the creator gets remuneration for its use.

#### **4.5 References/Further Reading**

- 1) Adejoke O. Oyewunmi, *Nigerian Law of Intellectual Property* (Unilag Press and bookshop Ltd, 2015)
- 2) Jide Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trademarks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2006)
- 3) Patents and Designs Act, Cap P2, Laws of the Federation of Nigeria 2004, ss 20-24
- 4) *Arewa Textiles Plc v. Finetex Ltd* (2003) 7 NWLR [pt 819] 322

## MODULE 2 INDUSTRIAL DESIGNS

### **Unit 5: Infringement of Industrial Designs and Remedies**

#### **CONTENTS:**

- 5.1 Introduction
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- 5.3 **Infringement of Industrial Designs and Remedies**
  - 5.3.1 Right to Institute Actions for Infringement
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#### **5.1 Introduction**

Sometimes, third parties carry out unauthorized acts with respect to a registered design. The law confers on the design owner, his assignee and sometimes licensee the right to institute an action for infringement. Where the fact of infringement is established, certain remedies are open to the Claimant. This Unit shall examine the infringement of design rights and the remedies available in the case of infringement.

#### **5.2 Intended Learning Outcomes**

At the end of this study, you should be able to:

1. Understand what amounts to infringement of design rights

2. Identify who has the right to bring an action for infringement
3. Know the remedies available to a design owner where his right has been infringed

### **5.3 Infringement of Industrial Designs and Remedies**

#### **5.3.1 Right to institute actions for infringement**

Infringement of design right occurs where the acts reserved exclusively for a design owner are carried out by a third party without the authorization of the patentee (section 25(1) PDA). The exclusive rights granted to a design owner under Section 19 PDA are the rights to reproduce the design in the manufacture of a product, import, sell or utilize for commercial purpose a produce reproducing the design and holding such a product for the purpose of sale or other commercial purposes.

An action for infringement can be brought before the Federal High Court which may sit with and be advised by two assessors having expert knowledge of matters of a technological or economic nature. The court may therefore need the assistance of assessors in understanding and analyzing certain technical matters in relation to patents or the proceedings. Particularly when it comes to analyzing a patent with regards to substantial matters such as its novelty, inventive activity or interpretation of its claims.

The person entitled to sue under the Act is a design owner or an assignee since the assignee steps into the shoes of the patent owner. A licensee may by a registered letter require the licensor to institute infringement proceedings in respect of any acts of infringement indicated by the licensee the letter (section 26 (4) PDA). However, if the licensor unreasonably refuses or neglects to institute the proceedings, the licensee may institute them in his own name, without prejudice to the right of the licensor to intervene in the proceedings.

A defendant shall not be absolved from liability merely because reproduces the Claimant's industrial design with differences in only minor or inessential details or because it concerns a type of product other than the type with which the design is

concerned (section 19(2) PDA). In *Controlled Plastics Ltd v. Black Horse Industries Ltd* (1990-91) FHCLR 180, the defendant's design was similar to that of the claimant. Only differences were that the Claimant's product was perforated at the bottom while that of the defendant was not and the Claimant's colander had thicker lines than those of the defendant. The court held that the defendant was infringing (see also *Spivap (Nig) Ltd v. Bola Alaba & Ors* (1991) FHCLR 181).

### **5.3.2 Evidential Proof in Infringement Actions**

In order to determine whether a design is infringing or in an action for nullity of a design (to determine newness of the design), the alleged prior design must be placed before the court to compare the previous design with the current design. In *Controlled Plastic Ltd v. Black Horse Plastic Ltd*, the defendants argued that the design of the plaintiff was not registrable as it was not original or new. The court held that the Claimant's design was new in its view as no other design was placed before it to compare whether the Claimant's design was new or not.

Clearly, in order to determine infringement or newness of a design, it is essential that the two designs in question be placed before the court to make comparison. In *Ajibowo & Co Ltd v. Western Textile Mills Ltd* (1976) 7 SC 97 the court emphasized that the design claimed to be new and the old design should be put side by side to enable the court to compare and see whether there are fundamental differences in the shape and pattern of the lines.

While agreeing with this position of the court, it seems that the court in subsequent actions has been misguided in interpreting the earlier decisions on the infringement of design rights. Hence, in subsequent actions, the court has held that it is not enough to place the finished products side by side for the court to examine, but that in addition the moulds or design itself from which the two products were made should also be brought before the court for examination. Hence, in *Uzokwe v. Dansy Ind. (Nig) Ltd* (2002)2 NWLR [pt 752] 528, the Supreme Court held that "a claim for infringement of rights in design cannot be sustained merely because the infringing product is similar to that of the alleged infringed product. Similarity in design has nothing to do with its novelty and distinctiveness. More is required from the plaintiff ... the appellant had the onus of showing that the finished products were

made from the same design and not that the products are merely similar and to do this he should tender the designs of both products for comparison” (see also *Nigerian Breweries Pls v. Pabod Breweries* (2010) 14 NWLR (Pt 1214) 529).

This new position of the court has been condemned. It is not easy for the Claimant to produce the mould of the defendant before the court. The mould or design of some large products may also not be easily moveable especially where such had to be assembled and fixed to the ground. This decision will therefore work a lot of hardship of Claimants and would make it difficult to succeed in an action for infringement of industrial designs.

Oyewunmi points out this difficulty especially where the defendant has not registered any design and argues that where the Claimant has a registered design, the balance of probabilities should be in his favour and the onus of proof should lie on the defendant to prove that his design is different from that of the Claimant and where necessary, the defendant to produce his moulds in the proof of his defence. In support of this view, the court has held that a side by side comparison may not always do justice since buyers will rarely have the two products side by side at the point of purchase. The test should be whether the design of the products would be similar to the purchaser who is likely going to make a decision based on recollections of the design and not necessarily a side by side comparison. More so, the relevant purchaser would also not have had access to the plans, drawings or moulds of the designs of the products. The design should therefore be considered on the whole and consideration should be given to the effect supposing they were seen at different times or looked at a little distance (*Grafton v. Watson*)

Furthermore, in determining whether the claimant’s right has been infringed, reference is made to the peculiar features of the design as contained in the claims or statement of novelty made in the application for the registration of the design. This is because this is what actually determines the limits or features of the design over which the design owner claims monopoly rights. Where the features reproduced by the defendant is not in the statement of novelty or claims of the design owner, the defendant would not be liable for infringement (see *Chukwumerije and sons (W/A)*)

*Ltd v. Industries Ltd & Sons* (1989) FHCLR 423) and *Iyeru Okin Plastic Industries v. Metropolitan Industries Ltd* (1986) FHCLR 336).

### **5.3.3 Remedies for Infringement**

A design owner can institute an action for infringement against the alleged infringer and be entitled to ‘all such relief by way of damages, injunction, accounts or otherwise shall be available to the plaintiff as is available in any corresponding proceedings in respect of the infringement of other proprietary rights’ (Section 25(2) PDA).

Although the PDA expressly stipulates for damages, injunction and accounts as available remedies, the list of remedies available in an action for design right infringement action is not limited to these three. This is because the PDA refers to other remedies that shall be available to the claimant as it is available in a corresponding action in respect of the infringement of other proprietary rights. This means that other remedies that are available to other claimants suing for the infringement of their property rights such as landed property may also be adapted to compensate the wrong done to a patent owner in the case of infringement. Lawyers must therefore maximise this leeway and not be limited to only three remedies in an action for infringement. The three listed remedies and other relevant ones are expatiated below.

#### **5.3.3.1 Damages**

This refers to money claimed or ordered by the court to a person as a compensation for loss or injury. It is the monetary compensation paid to a design owner for the infringement of his rights. While there are different types of damages, the most common are general and special damages. General damages refer to compensation for losses that naturally flows from the act of the defendant and it need not be proved by the plaintiff as it is presumed by law. Special damages on the other hand are not presumed by law and the plaintiff has to provide evidence in this regard before the courts can grant it.

While there is no hard and fast rule in the determination of damages, factors that can be considered include the amount of royalties had the defendant



obtained a contractual licence, amount of trade or business lost by the claimant due to the defendant's sale or use of the infringing goods, duration over which the infringement lasted, damage to the goodwill of the claimant among others. (see *J.T Chanrai & Co (Nig) Ltd v. J K Khawan* (1965) 1 All NLR 182; *Sarg Aims Products v. Akagha* (1994) FHCLR 188).

### **5.3.3.2 Injunction**

One of the most important remedies for design right infringement is an injunction since damages may not always be a sufficient remedy. An injunction is an order of the court compelling a party to do or refrain from doing an act. It is an equitable remedy granted at the discretion of the court.

There are different types of injunctions. An interlocutory injunction is granted pending the determination of a case and it is very useful for restraining an alleged infringer from continuing his acts of infringement or for the parties to maintain *status quo* till the matter before the court is finally determined. This would ensure that no further loss comes to the patent owner. A perpetual injunction on the other hand is granted after the final determination of a case when the plaintiff has been able to prove to the court that he a right which right was violated by the defendant.

Another type of injunction is an interim injunction which lasts for a very short time such as till a named date or the happening of an event. It is usually used in cases involving urgency and granted *ex parte* pending an application on notice to the defendant on a later date. Because of the urgency involved, it is not a requirement that the plaintiff must have instituted an action before the court before it is granted. Interim injunctions are therefore very useful where there is concern that delay would cause an irreparable damage.

The conditions for the grant of an injunction are settled in various judicial authorities (*American Cyanamid Co. v. Ethicon Ltd* (1975) 1 ALL ER 504). These conditions include that:

- (i) The plaintiff has to satisfy the court that he has an arguable case. This does not mean a strong case but a prima facie case would be sufficient.
- (ii) Damages must not be a sufficient remedy. This condition is fundamental to the grant of an injunction as where damages are sufficient, an injunction would not be granted.
- (iii) The court would also weigh the balance of convenience before granting an injunction.
- (iv) The financial standing and ability of the defendant to liquidate damages.
- (v) Other conditions include the conduct of the parties (*Saraki v. Kotoye* (1989) 1 NWLR (Pt. 98) 419).
- (vi) Delay by the plaintiff in bringing the action as this may be considered as acquiescence (*Foseco Int. Ltd v. Fordath Ltd* (1975) F.S.R. 507).
- (vii) the plaintiff is also required to give an undertaking as to damages should it be proved that the injunction ought not to have been granted in order to protect the interest of the defendant.

### **5.3.3.3 Accounts of Profit**

This remedy allows the claimant to recover profits made by an infringer on his registered design where the defendant has commercially dealt the design or made profit from it. It is only awarded where the defendant has actually made profits from the act of infringement. The profit that is awarded is usually the net profit i.e the gross profit excluding all other expenses of the defendant in producing the work. The court also determines the amount of profit that accrued directly from the infringing work and not necessarily the entire business of the defendant. Note that a Claimant would not be allowed to have both damages and account of profits in order to prevent double compensation. He has to elect one of these remedies. Therefore, where the profit made by the defendant is not so much, it may be better for a plaintiff to rather sue for damages.

### **5.3.3.4 Order for seizure and Inspection (Anton Piller Order)**

This order is a special type of injunction issued by the court which allows a plaintiff to enter the premises of the defendant in order to seize and preserve evidence that is essential to proving the defendant's liability. It is a very important order considering the facts that many times; infringers carry out their acts in secret or are prompt to destroy any evidence linking them to the infringement. The fact that it is made *ex parte* preserves the surprise effect on the defendant who is taken unawares and has no time to hide or destroy evidence.

This order is called Anton Piller order after the case where it was first granted in *Anton Piller KG v. Manufacturing Processes Ltd* (1976) 1 All ER 779. This case stipulated the conditions under which it can be granted. The plaintiff must have a strong prima facie case and potential or actual damage to him should be serious. The defendant should also be in possession of evidence that is vital to the plaintiff's case and a real possibility of the defendant destroying or disposing of such evidence. Note that being fundamentally an injunction, other conditions for the grant of an injunction also applies here. The court in this case distinguished this order from a search warrant in that it puts pressure on the defendant to permit the plaintiff to enter into his premises otherwise he may risk being committed for contempt of court.

#### **5.3.3.5 Conversion or Delivery Up**

The design owner may be able to request the court that all the infringing copies and materials used in their production should be converted to or delivered to him by the defendant.

#### **5.3.3.6 Destruction**

A Claimant may also be entitled to request for the destruction of the infringing products as a general civil remedy that “is available in any corresponding proceedings in respect of infringement of other proprietary rights”. Destruction would be useful where the works made by the infringer are of lesser quality, which is usually the case. The owner may want such

goods to be destroyed in order to avoid any damage to his reputation or the quality of his works.

**SELF-ASSESSMENT EXERCISE (SAE) 10**

- 1) Who has the right to sue for an infringement of a registered design?
- 2) What are the evidential requirements for establishing design infringement?

#### **5.4 Summary**

Like other proprietary rights, the principle of *Ubi jus ibi remedium* (where there is a wrong, there is a remedy) applies to instances of infringement of design rights. Therefore, where any person carries out any of the reserved rights for the design owner without due authorization, the design owner or anyone validly claiming through him is therefore entitled to approach the Federal High Court for appropriate remedies to address the infringing acts of the defendant.

#### **5.5 References/Further Reading/Web Sources**

- 1) Adejoke O. Oyewunmi, *Nigerian Law of Intellectual Property* (Unilag Press and bookshop Ltd, 2015)
- 2) Jide Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trademarks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2006)
- 3) Patents and Designs Act, Cap P2, Laws of the Federation of Nigeria, 2004, section 19, 25 -26
- 4) *Controlled Plastics Ltd v. Black Horse Industries Ltd* (1990-91) FHCLR 180
- 5) *Spivap (Nig) Ltd v. Bola Alaba & Ors* (1991) FHCLR 181
- 6) *Ajibowo & Co Ltd v. Western Textile Mills Ltd* (1976) 7 SC 97
- 7) *Uzokwe v. Dansy Ind. (Nig) Ltd* (2002)2 NWLR [pt 752] 528
- 8) *Nigerian Breweries Pls v. Pabod Breweries* (2010) 14 NWLR (Pt 1214) 529
- 9) *Chukwumerije and sons (W/A) Ltd v. Industries Ltd & Sons* (1989) FHCLR 423
- 10) *Iyeru Okin Plastic Industries v. Metropolitan Industries Ltd* (1986) FHCLR 336
- 11) *J.T Chanrai & Co (Nig) Ltd v. J K Khawan* (1965) 1 All NLR 182;
- 12) *Sarg Aims Products v. Akagha* (1994) FHCLR 188
- 13) *American Cynamid Co. v. Ethicon Ltd* (1975) 1 ALL ER 504

## MODULE 3 TRADEMARKS

### **Unit 1: Introduction to Trademarks Law**

#### 1.1 Introduction

#### 1.2 Learning Outcomes

#### 1.3 Introduction to Trademarks Law

##### 1.3.1 Definition of Trademark

##### 1.3.2 Objectives and Functions of Trademarks

##### 1.3.3 History of trademarks laws in Nigeria

#### 1.4 Summary

#### 1.5 References/Further Reading/Web Sources

### **1.1 Introduction**

For a long time, businesses and people have used various insignia to distinguish their products and services from those of others in their field. Trademarks are therefore principally useful for distinguishing one undertaking and its products and services from those of other. Over time, consumers tend to trust a trademark in terms of quality or preference choice and it also serves some marketing functions. In view of the essential roles played by trademarks, the law protects them in Nigeria under the Trade Marks Act 1965 (TMA). This module shall examine the protection of trademarks in Nigeria as an intellectual property right.

For many businesses, trademark is an essential component and asset of the business in attracting clients and income. The protection of trademarks has become more refined in a capitalist society where there is intense competition among businesses in the same industry. It is therefore essential to understand what trademarks are and the objectives of the legal protection granted to trademarks.

### **1.2 Intended Learning Outcomes**

At the end of this study, you should be able to:

1. define trademarks
2. identify the objectives of the trademark system as indicated in the functions it performs.
3. know the history of trademark laws in Nigeria.

## **1.3 Introduction to Trademarks Law**

### **1.3.1 Definition of trademark**

A trademark is a mark or insignia used in the course of trade to distinguish the goods or services of one undertaking from those of another undertaking. By section 67 of the Trade Marks Act 1965 (TMA), a trademark is defined as "... 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 registered user to use the mark, whether with or without any indication of the identity of that person..." While this definition may be complicated, it entails certain essential concepts about trademarks which we shall now look at.

A trademark must consist of a mark. A mark can be a name, device, branding, label, ticket, signature, letter, numeral or any combination of these things (section 67 TMA). The trademark must either already be in use or it proposed to be used. In the case of the later, the applicant must have the intention or proposal to use the mark in the reasonably foreseeable future (*John Batt & Co v. Dunnet & Anor* (1899) AC 428). This intention must be more than mere contemplation (see *Atanda Trading as Sule Atanda & Bros v. Johnson & Johnson & Co* (1968) NCLR 364).

Another important thing to note with regards to the definition of trademark in section 67 is that it restricts the definition to marks to be used in relation to goods. This excludes undertakings that are engaged in rendering of services. This limited definition of the concept has been criticized. Although, the registration of trademarks has been extended to services via Regulations that have amended the first and fourth schedule of the Act to include eleven new classes of service marks. Nevertheless, there is a need to amend the definition of trademarks under the TMA to include service marks.

Also, the trademark need not be affixed on the goods. It suffices that it is used in relation to goods such as by a company that is producing the goods or any other

connection with the goods. Finally, trademarks must be used in the course of trade in order to qualify as 'trade' marks. A trademark is therefore an indication of the source or origin of trade of a good or service. Consumers should be able to use the trademark to indicate the source of that good or service and link it to the proprietor of the trade mark as different from other goods or services of another proprietor in the industry. The proprietor should therefore have some trade link in the production of the goods or services such as manufacturer, supplier, retailer marketer, importer, exporter or perform some other commercial role in the production or distribution of the goods or services. In *Hospital World Trademark* (1967) RPC 595, it was held that the production of a free magazine containing matters of interest to prospective customers would undoubtedly aid the business as manufacturers of hospital supplies and create goodwill for the firm but it did not qualify as use in the course of trade. However, in *Golden Pages T.M* (1985) FSR 27, the compiler of a telephone directory who distributed it free but obtained income from advertisements in the directory was held to use the mark in the course of trade.

### **1.3.2 Objectives and Functions of Trademarks**

A fundamental role of trademarks is that it serves as an indication of source or origin of goods and services. Trademarks are therefore used to distinguish an undertaking, its products and services from that of others in the industry. When consumers see a product to which a particular trademark is attached, they are generally able to know the source of that product or the company that produced the product.

In addition to this, over time, consumers get to attach some level of quality to products or services emanating from a particular company or its trademarked goods or services. Hence, a consumer begins to have an expectation of a standard of quality based on repeated patronage or other interactions with such trademarked good or service such that such a consumer just needs to buy a product to which a trademark is affixed and he expects to find the product to be of same quality as what he has experienced with earlier products with the same trademark. Therefore, trademarks also serve as a guarantee of quality to consumers. In view of this, trademarks, therefore serve some consumer

protection function. Consequently, it is essential that the consumer is protected from confusion.

Trademarks also reduces the search cost of consumers while deciding on which products or services to go for. Flowing from the guarantee of quality function and the previous interactions with the trademark, consumers rather than searching various alternatives when they need a particular product or service can decide to just go for a product or service with a specific trademark they have come to trust or like.

Due to the important roles played by trademarks, businesses invest in advertisements in order to sensitise the public on their trademarks and why they should choose their products and services. They use trademarks to attract customer loyalty and ensure repeated patronage. Many companies therefore invest in the promotion and protection of their trademarks. It is therefore essential that the protects trademarks in order to ensure that trademark owners get a reward for their investment.

In sum, the roles played by trademarks can be categorized into two broad areas. The first is the protection of the private interest of the proprietor on the one hand and the protection of public interest on the other hand. While trademark law protects the private interest of the proprietor, other branches of law safeguard the interest of the public such as the Federal Competition and Consumer Protection Commission Act, 2018, Trade Malpractices Act (Miscellaneous Offences) Act, Cap T12, LFN 2004 and the Merchandise Mark Act Cap M10, LFN 2004.

### **1.3.3 History of Trademarks Laws in Nigeria**

Prior to the colonial administration, in the traditional setting of the various tribes of the society, goods were marked in order to indicate the owner. Examples include the marking of animals such as goats, cattle and chicken, yam and other tubers. Branding through the instrumentality of marks was therefore not strange to the traditional Nigerian society.



In the United Kingdom where Nigeria derived its trademark legislation, the first trademark law was the Trademarks Registration Act 1875. Thereafter, the 1883 Patents, Designs and Trademarks Act repealed the 1875 law and consolidated trademarks law together with patents and designs legislations. The Trademarks Act 1905 repealed separated trademark law once again in a different Act. The 1919 Trademark Act divided the Trademarks Register into Parts A and B. the 1938 Act consolidated the 1905 and 1919 Trademark Acts and it was operative for many years till the enactment of the Trademarks Act 1994.

As a colonial territory, the Trademarks Proclamation Ordinance (no 25) of 1900 was the first trademark legislation which was applicable to the Southern Protectorate. It applied the Trademarks Act of 1883 to the Southern protectorate. After this, the trademarks ordinance (no 18) of 1910 repealed the 1900 ordinance and became the extant law applicable also only to the Southern protectorate. After the amalgamation of the Northern and Southern Protectorates the Trademarks Ordinance (No 20) of 1914 was enacted which applied trademark laws to the whole territory of Nigeria. Subsequent legislations include the Trademarks Ordinance (No 6) of 1920, Trademarks Ordinance (No 4) of 1923 and Trademarks Ordinance (No 13) of 1926. In 1958, the Trademarks Ordinance consolidated the existing laws. Finally, in 1965, Nigeria promulgated its first indigenous trademark legislation which is the Trademark Act 1965 which is essentially patterned after the UK Trademarks Act of 1938.

It must be noted that in addition to the statute, the trademark system protects unregistered trademarks under the tort of passing off. Section 3 of the Trademarks Act preserves unregistered marks. The advantage of having a registered trademark is that the trademark proprietor need not prove goodwill and reputation as required in an action for passing off.

**SELF-ASSESSMENT EXERCISE (SAE) 11**

1. What is a trademark?
2. What are the functions that trademark

#### **1.4 Summary**

The use of marks to brand or distinguish the goods of one person or entity from that of another is not new to the traditional societies that later comprised the Nigerian State. Nigeria can trace the history of its trademark legislation to the UK till it promulgated its first indigenous legislation in 1965. In addition to performing a source or origin function, trademarks also serve other functions such as guarantee of quality, marketing and consumer protection roles.

#### **1.5 References/Further Reading/Web Sources**

- 1) Adejoke O. Oyewunmi, *Nigerian Law of Intellectual Property* (Unilag Press and bookshop Ltd, 2015)
- 2) Jide Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trade Marks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2006)
- 3) Trademarks Act, 1967, Cap 13, LFN 2004, sections 3, 67
- 4) *John Batt & Co v. Dunnet & Anor* (1899) AC 428
- 5) *Atanda Trading as Sule Atanda & Bros v. Johnson & Johnson & Co* (1968) NCLR 364
- 6) *Hospital World Trademark* (1967) RPC 595
- 7) *Golden Pages T.M* (1985) FSR 27
- 8) *Aristoc Ltd v. Rysta Ltd* (1945) AC 68
- 9) Trade Malpractices Act (Miscellaneous Offences) Act, Cap T12, LFN 2004
- 10) Merchandise Mark Act Cap M10, LFN 2004

## MODULE 3 TRADEMARKS

### Unit 2: Registration Trademarks

#### 2.1 Introduction

#### 2.2 Learning Outcomes

#### 2.3 Registration Trademarks

##### 2.3.1 Registration of Trademarks

##### 2.3.2 Non-registrable Trademarks

##### 2.3.3 Procedure for Registration of Trademarks

##### 2.3.4 Registration and Association of Trademarks

##### 2.3.5 Communal Trademarks (collective and certification marks)

#### 2.4 Summary

#### 2.5 References for Further Reading

### (1) Introduction

Before a trademark proprietor can have monopoly rights over the trademark to the exclusion of all other persons, the mark must be registered in the Trademarks Registry. However, not all marks can be registered as trademarks. In addition, certain marks may be registered as collective or certification trademarks. These Unit shall therefore examine these concepts.

### (2) Intended Learning Outcomes

At the end of this study, you should be able to:

1. Know the requirements for the registration of trademarks
2. Know the differences between registration under Part A and Part B of the Trademark Registry
3. Identify non-registrable trademarks
4. Understand the procedure for the registration of trademarks
5. Understand the concept of communal marks such as collective and certification marks
6. Understand the concept of defensive trademark registration

## **2.3 Registration Trademarks**

### **2.3.1 Registration of Trademarks**

As stated earlier in the introduction, it is essential that a trademark be registered or entered in the Trademark Register. The Register is a record of all registered trademarks with the names and addresses of their proprietors, the date on which applications were made for their registration, notifications of assignments and transmissions, the names and addresses of all registered users and such other matters relating to registered trademarks as may be prescribed under the Act (section 2(1) TMA). It is kept under the control and management of the Registrar and divided into Parts A and B.

Without registration, there can be no liability for infringement under the TMA although the Act preserves the right of action against any person for passing of goods of another person (section 3 TMA). Hence, proprietors of unregistered trademarks may still seek remedy through the tort of passing off. A trade mark is required to be registered in respect of particular goods or classes of goods, and any question arising as to the class within which any goods fall shall be determined by the Registrar, whose decision shall be final (section 4 TMA). Hence if an applicant seeks to register XYZ as a trademark, the applicant must specify the goods to which the trademark shall be used such as soaps or detergent or in the alternative the applicant can indicate the specific class of goods (under the classification of goods) to which the trademark shall be used.

#### **2.3.1.1 Registration under Part A**

In order for a mark to be considered for registration under Part A of the Act, it must be distinctive and also consist of one of the listed items under Section 9(1) of the TMA. A trademark to be registered under Part A must contain at least one of the following:

*(1) The name of a company, individual, or firm, represented in a special or particular manner*

A name is a means of identity and the Act in recognition of this fact allows an individual, company or firm to use its name in respect of goods emanating

from that person. An example is the use of the name Dangote for cement, sugar and salt. Usually, the names applied to be registered is that of the applicant or his predecessor. However, a person may register another name but the Registrar may refuse such an application if the registration may suggest that the goods emanate from the person who owns the name (*Thorneloe v. Hill* (1894) 1 Ch 569).

In *Ate My Heart Inc. v. Commissioner of the JPO* (2013), the plaintiff filed a trademark application for the registration of the name “LADY GAGA” in respect of phonograph records, music files that can be downloaded from the Internet and stored, projection films, and recorded video discs and video tapes. The trademark application was refused by Japan’s Patent Office (JPO). The plaintiff appealed this decision to the Intellectual Property High Court. The Court held that LADY GAGA is a name that is well-known in Japan and world-wide, as the name of a female singer from the United States. If the name is used by the plaintiff, it would suggest that traders and consumers would affiliate the products with the female singer’s name, hence the court held that it was not capable of distinguishing the plaintiff’s goods.

Where the name or representation of any person appears on a trademark, the Registrar shall, if he so requires, before proceeding to register the mark be furnished with the consent from him or, in the case of a person recently dead, from his legal representatives and in default of such he may refuse to register the mark (Regulation 20, TMA Regulations).

The name must also be person or legal personality and not be imaginary. It cannot be that of an individual in a fanciful sense or an imaginary person who never had a real existence (*Re Holt & Co’s Trademark* (1896) 1 Ch 711 at 720). In addition, the name is required to be represented in a special or particular manner. This means that it should not be written in ordinary print. It could be impressed or written in a particular or distinctive manner. This is to make the mark distinctive.

(2) *The signature of the applicant for registration or some predecessor in his business*

A signature is generally used to authenticate documents and may also be registered as a trademark. However, the applicant can only register his own signature or that of a predecessor in business. However, signature marks are not common because it can be difficult to describe and recollect. Also, it may be easily copied by others who claim that is also their own normal signature.

(3) An invented word or invented words

This is one of the commonest forms of marks and usually considered the most distinctive. It refers to newly coined words by the applicant which is preferable as it is not likely to prevent members of the public from using words in the vocabulary. The question of whether a word is invented depends on the facts of the case but it does not mean that the words should be entirely meaningless (*Eastman Photographic Materials Ltd v. Comptroller General of Designs, Patents & Trademarks* (1898) AC 572 at 586). It could be derived from a foreign source or language; it may contain a covert allusion to the character or quality of the goods or emanate from a combination of words or a phrase in as much as it does not convey an obvious meaning to ordinary person in the society.

(4) A word or words having no direct reference to the character or quality of the goods, and not being according to its ordinary signification a geographical name or a surname

Words that do not allude to the character, quality or geographical origin of the goods can also be registered under Part A. The key consideration in this regard is to consider what message the word will pass across to the ordinary person in the context of the goods or services. To the mind of the average purchaser, does the word refer to the origin, quality or characteristics of the goods to which the trademark is affixed? If the answer is in the positive, then the mark is not distinctive and shall not be registrable under Part A. In *Liggett and Myres Tobacco Co v. Registrar of Trademarks* (1969) NCLR 38, the applicant was able to establish by evidence that the word 'Chesterfield' had been regularly and widely used by the applicant on its goods for some years and that in the mind of the public, the trademark was associated with their goods. The

court therefore held that the popular meaning of the word 'Chesterfield' was in relation to the applicant's goods and not a geographical location in Yorkshire.

In *Magnolia Metal Co's TM* (1897) 2 Ch 371, the court explained that a word does not become a geographical name simply because some place on earth is called by it. The word must be interpreted in the in the general meaning of the word from the perspective of the ordinary person in the society. Hence, the mere fact that a name is a geographical name does not necessarily disqualify it from being used as much as it does not suggest to the consumer that the goods originated from that place.

(5) Any other distinctive mark

Any other word, name, signature, or combination of words and numerals may be registrable as a trademark on the condition that the applicant can show evidence of distinctiveness. Distinctive means adapted, in relation to the goods in respect of which a trade mark is registered or proposed to be registered, to distinguish goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within the extent of the registration (section 9(2) TMA). Distinctive therefore means that the good is adapted to distinguish. In determining whether a mark is adapted to distinguish, regard may be given to the extent to which the trade mark is inherently adapted to distinguish and by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact adapted to distinguish.

Furthermore, in determining the distinctiveness of a trademark, the tribunal shall consider whether the trademark is limited in whole or in part to one or more specified colours (section 16(1) TMA). Where the trademark is limited to specific color(s), it shall be taken as part of the trademark for distinctiveness. A trade mark that is registered without limitation of colour shall be taken to be registered for all colours (section 16(1) TMA). In *Ferodo v. Ibetto* (2004) 5 NWLR (Pt 806) 317, the trademark registered was the word 'Ferodo' and not limited to any specific color. The court therefore held that the

defendant was not infringing even though the defendant used the colors red, black and white on the appellant's packaging. The court stated that the other elements were mere beautification, ornamentation, embellishment, flourishes or garnishes. However, in *Tobacco (Nig) Ltd v. British American Tobacco (Nig) Ltd & Anor* (2009) 6 NWLR (Pt 1138) 577, the defendants sold cigarettes with similar gold packs. The court held that the defendants were infringing by using the distinctive gold pack since the plaintiffs had registered the gold colouring pack of their good in addition to the name.

### **2.3.1.2 Registration under Part B**

A trademark that is not distinctive but capable of distinguishing can be registered under Part B of the Register. In this case, the mark must be capable, in relation to the goods in respect of which it is registered or proposed to be registered, of distinguishing goods with which the proprietor or the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within the extent of the registration (section 10(1) TMA).

In determining whether a trade mark is capable of distinguishing, regard should be had to the extent to which the trade mark is inherently capable of distinguishing and by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact capable of distinguishing. Essentially, under Part B, a mark may be registrable if it is capable of being distinctive in the future through prolonged use (section 10(2) TMA). Although a proprietor may have registered a trademark under Part A, this does not preclude the proprietor from registering a mark under Part B.

### **2.3.2 Non-registrable Trademarks**

Some marks are not registrable for public policy reasons such as consumer protection, the protection of other business and the protection of the general public. The non-registrable trademarks are discussed below.



### **2.3.2.1 Deceptive or scandalous marks**

The registration of a deceptive or scandalous mark is prohibited under the TMA (Section 11 TMA). A mark is deceptive where it is capable of misleading the public with regards to the character, quality or origin/source of the goods to which it relates. Marks that are contrary to law or morality or scandalous are also prohibited from registration. A scandalous mark is one that causes disaffection or negatively affects the morals of the society at a particular time. It can also refer to a mark that disparages a sect such as an ethnic or religious group. A mark that consist of vulgar or profane words or insinuations would also not be registrable under this head. For instance, an application to register the word 'Hallelujah' in respect of women's personal clothing and underclothing was held to be offensive to the Christian adherents and so not registrable (see *Re Hallelujah Trademark* (1976) RPC 605).

### **2.3.2.2 Names of Chemical Substance**

No word which is the commonly used and accepted name of any single chemical element or single chemical compound, as distinguished from a mixture, shall be registered as a trade mark in respect of a chemical substance or preparation (Section 12 (1) TMA). The essence is to prevent monopoly over the use of names of chemical substances that are used by members of the public. Such words would be considered generic if used in relation to a product which contains the chemical compound and if it does not contain the chemical compound, it would be considered deceptive.

This prohibition does not apply in relation to a word which is used to denote only a brand or make of such an element or compound as made by the proprietor or a registered user of the trade mark as distinguished from that element or compound as made by others, and in association with a suitable name or description open to the public use (Section 12 (2) TMA). Where the word is used in conjunction with another to indicate a brand or make of an element or compound, it could be registrable. An Example is M&B

Paracetamol, Moko Methylated Spirit. In *Smithkline Beecham Plc v. Farmex Limited* (1997-2003) 4 IPLR 416, the plaintiff registered the trademark 'Milk of Magnesia' but sold its products as 'Phillip's Milk of Magnesia'. It brought an action for infringement of its trademark against the defendant who was selling its product as 'Dr Meyer's Milk of Magnesia'. The court held that the expression 'Milk of Magnesia' was generic and a scientific term used freely in the medicinal and pharmaceutical worked. Hence it dismissed the action of the Plaintiff. It however held that at the time the trademark was registered, the pharmaceutical industry did not recognize milk of magnesia as a generic name and so an order ordering the removal of the name from the register could not be given.

This case therefore indicates that it is possible for a trademark to lose its distinctiveness where it falls into common or generic use. Trademark proprietors must therefore be diligent to preserve the distinctiveness of their marks particularly by preventing infringing uses and uses that are not associated with their goods. An example is the expression 'Google' which refers specifically to a company and its products or services including its online search engine. The company has to be careful not to allow the trademark to become synonymous with an online search such that when people say 'google it' they are referring to actually doing an online search rather than using the google search engine for an online search.

### **2.3.2.3 Identical and Resembling Trademarks**

Identical and resembling trademarks to marks already registered are not to be registered. Section 13(1) TMA provides that no trade mark shall be registered in respect of any goods or description of goods that is identical with a trade mark belonging to a different proprietor and already on the register in respect of the same goods or description of goods, or that so nearly resembles such a trade mark as to be likely to deceive or cause confusion (see *Maduka v. Tropical Naturals, Ltd.* (Civil Action No. 17-1835 United States District Court for the Eastern District of Pennsylvania, decided 10 September 2019))

The essence of not registering such marks is to protect the consuming public from confusion or likelihood of confusion as to the source or origin of the goods or services. The resemblance of the mark must therefore be considered from the perspective of the average consumer in the society. The court has held that it should consider the consumers with imperfect recollections, the incautious, the illiterate and those who place orders by the telephone who do not necessarily have the opportunity of a side by side analysis of the two marks (*Alban Pharmacy v. Sterling Products International* (1968) All NLR 292).

In determining whether the marks are identical or resembling, it is usually essential to consider both the sight, sound and meaning of the trademark. For instance, 'Casorina' was held to be similar to 'Castoria' (*Alban Pharmacy v. Sterling Products International* (1968) All NLR 292); 'Bubble Up' to 'Seven Up' (*Bubble Up Int Ltd v. Seven Up Ltd* (1971) 7 UILR 154).

Furthermore, this limitation on registration applies to instances where the marks are related to same goods or goods of the same description. It should be noted that goods of the same description do not necessarily mean goods in the same class according to the NICE Classification of goods. This is because goods of the same description may have been classified in different classes. It is more helpful to consider the nature of the goods in determining whether they are of the same description or not (*Re Australian Wine Importers Ltd* (1889) 41 Ch.D 278). Factors to be considered therefore include the nature and composition of the goods, their respective uses and the trade channels through which they are bought or sold (*Re Jellinek* (1946) 63 RPC 52).

Nevertheless, in instances of honest concurrent use or other special circumstances which in the opinion of the Registrar or court warrants it, registration of identical or resembling marks in respect of same goods or description of goods may be permitted subject to such conditions or limitations that the court or Registrar may impose (Section 13(2) TMA). Where the application for identical or resembling marks is made by two separate persons the Registrar may refuse to register any of them till their rights have been

determined or settled by agreement in a manner approved by the Registrar or the court upon an appeal from the Registrar (Section 13(3) TMA).

#### **2.3.2.4 Coat of Arms and other Emblems of Authority**

By the provisions of the Act, it is an offence for any person to use the Coat of Arms of Nigeria or that of a State or any arms so closely resembling them, in connection with any trade, business, calling or profession, without the authorisation of the appropriate authority (Section 62(1) TMA). Such unauthorized use would be deemed to be calculated to deceive the public that the trademark applicant has the authority of the President or Governor to so use the Arms. The use of any device, emblem or title in any manner calculated to lead to the belief that the trademark applicant is employed by or supplies goods to the President or the Governor of a State in his official capacity is also an offence under the Act. The offender in both instances is liable on summary conviction to a fine. Spuriously, the Act in subsection (2) stipulates that this does not affect the rights of the trademark proprietor who shall continue to use the trademark. This provision is therefore absurd especially when one considers that the fine imposed is a maximum of forty naira only which is a ridiculous amount in the Nigeria of today. Rather, such applications for registration ought to be rejected and where it was already in the Register prior to the Act, such marks should be struck out.

The Trademark Regulation on its part outrightly forbids the registration of a mark with the Arms of Nigeria or a State or a closely resembling mark, representations of the National Flag or marks containing the words 'President' or 'Governor' where such will mislead the public that the trademark applicant has the authority of the government, works for the government or supplies goods to the President or the Governor (Regulation 18, TM Regulations). Also, arms of a city, insignia of chivalry decorations or other flags of a state, city, town or place may not be used in a trademark except the official or authority entitled to give consent has so given such consent (Regulation 19, TM Regulations).

### **2.3.2.5 Marks Prohibited under the Trademark Regulations**

By the provisions of Regulation 17 of the TM Regulation, certain marks may be refused by the Registrar. These includes words such as ‘patent’, ‘patented’, ‘registered’, ‘registered design’, ‘copyright’, ‘to counterfeit this is forgery’ or similar words. The Red Cross, Geneva cross or representations of the Geneva and other crosses in red or the Swiss federal cross in white on a red background or in silver on a red background or other such similar representations. An applicant who seeks to use the symbol of a cross may be asked by the Registrar to undertake not to use same in the red color or red color on a white or silver background.

It should be noted that once a mark infringes one of the provisions of the TMA, it cannot be accepted for registration even if it complies with some other requirements for registration. In *Allied Trading Co. Ltd. v. Paterson Zochonis and Co. Ltd.* (1967) N.C.L.R. 402., the court held that it could not have been the intention of Parliament “to allow what is permissible and what is not permissible to run side by side.”

### **2.3.3 Procedure for Registration of Trademarks**

A person proposing to apply for the registration of a trademark may, if he so chooses, first apply to the Registrar for preliminary advice on the distinctiveness of the mark (Section 17, TMA). This is a preliminary search in the Trademark Registry whether there are any similar or identical marks in respect of same goods or description of goods in the Register. Where the response from the Registrar is in the affirmative, and upon application for registration the trademark is refused on the ground of lack of distinctiveness or capacity to distinguish, the applicant shall be entitled to the repayment of the fees paid upon giving notice of withdrawal of the application. This is because the applicant had proceeded to apply for the registration of the trademark based on the positive feedback received from the Registrar. It should be noted that the preliminary advice on distinctiveness is not compulsory. An applicant can go ahead to apply for the registration of the trademark although at the risk of it being rejected for lack of distinctiveness should the registrar find it so.

An applicant for the registration of a trademark shall apply to the Registrar for registration either in Part A or B in the prescribed form and the prescribed fees (Section 18, TMA). Other accompanying documents include the power of attorney or authorization where application is made by an agent, full names, nationality and addresses of the applicant, and where the applicant is a foreigner, an address for service in Nigeria is needed. A description and specimen of the trademark is required in a stable and durable format. A list of all the goods or services or classes of goods or services to which the trademark is used shall also be attached. Where any part of the mark is in a foreign language, a translation of non-English words is required. Where the applicant is claiming foreign priority, the applicant must attach the date of filing of the earlier foreign priority document, name of the applicant, name of the country in which the priority document was filed and a certified copy of the earlier application should also be furnished the Trademarks Registry. It must be noted that the priority period for trademarks is six months; hence, the application in Nigeria must be made within six months of filing in the priority country.

Upon receipt of the application, an acknowledgment letter will normally be issued by the Registry. After an initial examination for possible issues, the Registrar may refuse the application, or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think right (Section 18 (2), TMA). Where an application is made in respect of Part A, the Registrar may, if the applicant is willing, instead of refusing the application, treat it as an application for registration in Part B and deal with the application accordingly (Section 18 (3), TMA). In the case of a refusal or conditional acceptance, the Registrar shall, if required by the applicant, state in writing the grounds of his decision and the materials used by him in arriving at the decision. The decision of the Registrar may be appealed to the court (Federal High Court).

Upon receipt of the application for registration, whether absolutely or subject to conditions or limitations, the Registrar shall, as soon as possible, cause notice of the application as accepted to be published in the Journal; and the notice shall set out all conditions and limited subject to which the application has been accepted (Section 19, TMA).

The Act provides for the possibility of opposition to the registration of a trademark under section 20. Any person may, within two months from the date of the publication of the notice of the application of a trademark, give notice to the Registrar of opposition to the registration. The notice shall be given in writing in the prescribed manner, and shall include a statement of the grounds of opposition.

Upon receipt of the opposition, the Registrar shall send a copy of the notice to the applicant; and within one month after the date on which the copy is received by the applicant, the applicant shall send to the Registrar in the prescribed manner a counter-statement of the grounds on which he relies for his application and, if he does not do so, shall be treated as having abandoned his application. The Registrar shall then furnish a copy of the counter-statement to the persons giving notice of opposition, and shall, after hearing the parties, if so required, and considering the evidence, decide whether, and subject to what conditions or limitations, if any, registration is to be permitted. If any of the parties is not satisfied with the decision of the court after an opposition hearing, the dissatisfied party can appeal to the court.

*Nabisco Inc. v. Allied Biscuits Co Ltd* (1997 -2003) 4 IPLR 199 illustrates the opposition procedure in Nigeria and the discretionary powers of the Registrar in the proceedings. In this case, the respondent had registered the trademark 'Ritz & Device' at the Registry. Subsequently, the appellant filed an application for the trademark 'Ritz' to be registered in the same class as the previously registered trademark. Due to the error of the Registry, the later trademark was also accepted and published in the Trademark Journal. The respondent therefore opposed the registration of the trademark. While Nabisco filed a counter-statement Allied Biscuits failed to file adduce evidence via a statutory declaration as required under Regulation 51 of the TM Rules. The effect of this is that the person opposing is deemed to have abandoned the opposition unless the Registrar otherwise directs (Regulation 52, TM Rules). The Registrar subsequently extended the time within which the evidence may be given in exercise of his discretion and fixed a hearing date. The Registrar finally refused to register Nabisco's trademark on the ground that the letter of error earlier issued was in error. The parties appealed up to the Supreme Court where the court held that the Registrar rightly exercised his discretion under the Regulation 52 and had not become functus officio simply

because of the failure to file the statutory declaration within the stipulated time. This case therefore revealed the need to fully digitalise the Nigerian Trademark Registry in order to avoid such oversights.

When an application for registration of a trade mark in Part A or in Part B of the register has been accepted, and either the application has not been opposed and the time for notice of opposition has expired; or the application has been opposed and the opposition has been decided in favour of the applicant, the Registrar shall, unless the application has been accepted in error, register the trade mark in Part A or Part B, as the case may be (Section 22, TMA). A certificate of registration is issued in evidence of this.

The date of filing of the trademark is taken as the effective date on which its protections commences and that date shall be taken to be the date of registration. Upon registration, the Registrar issues to the applicant a certificate of registration in the prescribed form sealed with the seal of the Registrar.

#### **2.3.4 Registration and Association of Trademarks**

In order to avoid confusion or deception and easier management of trademarks, the Act allows the registration of certain marks as associated trademarks. Where a trade mark that is registered, or is the subject of an application for registration, in respect of any goods is identical with another trade mark that is registered, or is the subject of an application for registration, in the name of the same proprietor in respect of the same goods or description of goods, or so nearly resembles it as to be likely to deceive or cause confusion if used by a person other than the proprietor, the Register may at any time require that the trademarks shall be entered on the register as associated trademarks (Section 27(1) TMA).

Also, where the proprietor of a trade mark claims to be entitled to the exclusive use of any part of the mark separately, he may apply to register the whole and any such part as separate trademarks (section 24, TMA). Each of such separate trade mark must satisfy all the conditions of an independent trade mark and shall have all the incidents of an independent trade mark. Where a trade mark and any part or parts



thereof are registered as separate trade marks in the name of the same proprietor, they shall be deemed to be, and shall be registered as associated trademarks.

Resembling trademarks can also be registered as a series under section 25 of TMA. A proprietor of several trademarks, in respect of the same goods or description of goods, which, while resembling each other in the material particulars, yet differ in respect of statements of the goods in relation to which they are respectively used or proposed to be used; or statements of number, price, quality or names of places; or other matter of a non-distinctive character which does not substantially affect the identity of the trade mark; or colour, seeks to register those trademarks, they may be registered as a series in one registration. All trademarks that are registered as a series in one registration shall be deemed to be, and shall be registered as, associated trademarks.

The effect of registration of associated trademarks or treating multiple trademarks as associated trademarks is that associated trademarks are assignable and transmissible only as a whole, and not separately, but shall for all other purposes be deemed to have been registered as separate trademarks (section 28, TMA). However, the Registrar has the power to dissolve associated trademarks upon an application made in the prescribed manner by the trademark proprietor if he is satisfied that there would be no likelihood of deception or confusion being caused if that trade mark were used by another person in relation to any of the goods in respect of which it is registered, and may amend the register accordingly (section 27(2) TMA). The effect of dissolving the associated marks would be that the separated mark can be assigned or transmitted independently and separately from others.

### **2.3.5 Communal trademarks (collective and certification marks)**

Communal marks refer to marks that can be used by a group of people or entities unlike the conventional trademark which is owned by a single person or entity. Communal marks can usually be used by members of a group of producers or marketers who have fulfilled a particular standard, procedure or whose goods or services has a particular characteristic. These marks therefore serve as a tool for standardization, marketing and identification.

Communal marks include certification marks, collective marks and geographical indication. Of these three, only certification marks are specifically provided for under the TMA. A certification mark is usually owned by a certifying authority and used to endorse goods that have met certain stipulated requirements. It is defined under the Act as “a mark adapted in relation to any goods to distinguish in the course of trade goods certified by any person in respect of origin, material, method of manufacture, quality, accuracy or other characteristic, from goods not so certified shall be registrable as a certification trade mark in Part A or the register in respect of those goods in the name, as proprietor thereof, of that person: Provided that a mark shall not be so registrable in the name of a person who carries on a trade in goods of the kind certified.”

From the definition above, a certification mark must be used in the course of trade. Also, its role is to distinguish goods certified by a certifying authority in respect of fulfilling criteria such as origin material, method of manufacture, quality, accuracy of such similar characteristics from goods that do not have such characteristics. Examples of certification marks are the mark of the Standard Organisation of Nigeria (SON) indicating the quality of a product as certified by SON. Another example is the certification of a toothpaste by the dental association.

A collective mark is a trademark used to distinguish goods of a particular origin or common characteristics of different enterprises which use the sign under the control of an umbrella body. All members of the collective would be entitled to use the collective mark after satisfying any necessary conditions stipulated by the collective. An example is a mark registered for the use of a group or association of producers or traders.

The third category of communal mark which is not covered by the TMA is geographical indications. This refers to geographical names, marks, signs, devices or designations that are used to indicate the geographical origin of goods. Additionally, it is required that some quality, reputation, or other characteristics of the good be derived from the geographical origin or location of the good. Such peculiar characteristics of the goods could be as a result of environmental factors

such as the climate, soil, water of the geographical origin that is responsible for the taste, colour, aroma, size or other features of the product. It could also be due to the human factors or inherited traditional practices or process of production which has made the product acquire its reputation. Geographical indications are therefore a veritable tool for promoting agricultural produce among others. Oyewunmi gave some examples of products that from such in Nigeria to include Ijebu garri, Benue and Abuja yam, Adire from Abeokuta among others.

**SELF-ASSESSMENT EXERCISE (SAE) 12**

1. What is the difference between marks required to be registered under Parts A and B of the Register?
2. discuss the non-registrable marks under the TMA

## 2.4 Summary

Before a mark can be registered, it must be distinctive or capable of distinguishing the goods or services of one undertaken from that of another. To ensure tidiness in the Register, it is suggested that Nigeria should abolish the division of the Register into two parts. Also, the Act should be modified to include services in the definition of trademarks. Considering its booming agricultural sector, Nigeria can amend the TMA to include protection of geographical indications which can be used to harness more potentials in the sector

## 2.5 References/Further Reading/Web Sources

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- 2) Jide Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trade Marks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2006)
- 3) *Thorneloe v. Hill* (1894) 1 Ch 569
- 4) *Re Holt & Co's Trademark* (1896) 1 Ch 711 at 720
- 5) *Eastman Photographic Materials Ltd v. Comptroller General of Designs, Patents & Trademarks* (1898) AC 572 at 586
- 6) *Liggett and Myres Tobacco Co v. Registrar of Trademarks* (1969) NCLR 38
- 7) *Magnolia Metal Co's TM* (1897) 2 Ch 371
- 8) *Ate My Heart Inc. v. Commissioner of the JPO* (2013) [LADY GAGA Trademark, Japan] [www.ip.courts.go.jp/app/files/hanrei\\_en/064/001064.pdf](http://www.ip.courts.go.jp/app/files/hanrei_en/064/001064.pdf)
- 9) *Re Hallelujah Trademark* (1976) RPC 605
- 10) *Smithkline Beecham Plc v. Farmex Limited* (1997-2003) 4 ILR 416
- 11) *Alban Pharmacy v. Sterling Products International* (1968) All NLR 292

- 12) *Bubble Up Int Ltd v. Seven Up Ltd* (1971) 7 UILR 154
- 13) *Re Australian Wine Importers Ltd* (1889) 41 Ch.D 278
- 14) *Re Jellinek* (1946) 63 RPC 52
- 15) *Nabisco Inc. v. Allied Biscuits Co Ltd* (1997 -2003) 4 IPLR 199
- 16) *Allied Trading Co. Ltd. v. Paterson Zochonis and Co. Ltd.* (1967) N.C.L.R. 402

## MODULE 3 TRADEMARKS

### Unit 3: Subsistence of Trademarks

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 **Subsistence of Trademarks**
  - 3.3.1 Rights Granted
  - 3.3.2 Exceptions to Rights Granted
  - 3.3.3 Duration and Renewal of Registration
  - 3.3.4 Effect of Non-Use
  - 3.3.5 Extended Trademark Rights
  - 3.3.6 Rectification of Trademarks Register
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- 3.5 References/Further Reading/Web Sources

#### 3.1 Introduction

By registering a valid trademark, the Act confers monopoly rights on the trademark owner or proprietor in respect of the trademarks. Unlike other intellectual property rights that is for a limited period of time, trademarks can last for a very long indeterminate period as long as the proprietor renews the trademark. This Unit will therefore examine various concepts that border on the subsistence of the trademarks after its grant.

#### 3.2 Intended Learning Outcomes

At the end of this study, you should be able to:

1. The duration of trademarks
2. The rights conferred on the trademark holder
3. The effect of not using trademarks after its registration
4. Understand the concept of comparative advertisement and defensive registration of trademarks
5. Know the procedure for the rectification of trademark register
6. Examine extended trademark rights.

### **3.3 Subsistence of Trademarks**

#### **3.3.1 Rights Granted**

The valid registration of a person as a proprietor of a trademark under either Part A or B of the Register confers on the proprietor the exclusive right to use the mark in relation to the goods or services specified (sections 5 and 6 TMA). This right to use includes the right to exercise proprietary rights over the trademark such as the grant of licences and assignment of the trademark. It usually also extends to the right to prevent any other person from selling goods to which the trademark is affixed unless such a person received the goods from the authorized channel of the trademark proprietor. Flowing from this, a trademark proprietor can stop the import or export of goods to which his trademark is affixed without his authority.

#### **3.3.2 Exceptions to Rights Granted**

In certain instances, the proprietor of a registered trademark cannot prevent the honest concurrent use of his mark by others who had a prior interest in the mark before the trademark registration. A trademark owner cannot restrain or interfere in the use of an identical trademark by any person who has been using such a mark or use by his predecessor in title in relation to identical goods or class of goods where such use by the third party was prior to the date of the use or registration of the trademark by the proprietor (Section 7, TMA). It is in furtherance of this that in such special circumstance, the Registrar may register identical or resembling trademarks for honest concurrent use (section 13(2) TMA).

Furthermore, the registration of a trade mark shall not interfere with any *bona fide* use by a person of his own name or the name of his place of business, or of the name, or the name of the place of business, of any of his predecessors in business (section 8(1)(a) TMA). The fact that a trademark owner registered his name as a trademark for instance does not prevent others bearing the same name from doing business in their own names as well. In the same vein, trademark rights do not extend to the use by any person of any *bona fide* description of the character or quality of his goods (section 8(1)(b) TMA). It is for this reason that words that are descriptive of the quality or other features of the goods or services in question are not registrable as trademarks.

### **3.3.3 Duration and renewal of registration**

As stated in the introduction, a trademark could last for an indefinite period of time. Initially, the registration of a trademark lasts for a period of seven years and it can be renewed subsequently (section 23, TMA). Each renewal lasts for fourteen years. The trademark proprietor is required to renew the registration within 3 months of the expiration of the trademarks (Rule 66, Trademark Rules). Even where the proprietor fails to do so, at the prescribed time before the expiration of the last registration of a trademark, the Registrar shall send notice in the prescribed manner to the registered proprietor of the date of expiration and the conditions as to payment of fees and otherwise upon which a renewal of registration may be obtained. (section 23 (3), TMA). Where the renewal is not done at the expiration of the stipulated time prescribed, the Registrar may remove the trademark from the register, subject to such conditions, if any, as to its restoration to the register as may be prescribed. Where a trademark has been removed from the register for non-payment of the renewal fee, it shall, nevertheless, for the purpose of any application for the registration of a trade mark during one year after the date of the removal, be deemed to be a trade mark that is already on the register. This protection for a removed mark will however be foregone if the court is satisfied that either there has been no bona fide trade use of the trademark that has been removed during the two years immediately preceding its removal or no deception or confusion would be likely to arise from the use of the trade mark that is the subject of the application for registration by reason of any previous use of the trade mark that has been removed. It must however be stated that in practice, the Registrar hardly removes a trademark from the Register for non-renewal within a short period of time and the Registry is more liberal in permitting extension of time for renewal and also restoration of a renewed mark.

### **3.3.4 Effect of Non-Use**

A trademark at registration stage could be one already in use or proposed to be used. Where a mark is proposed to be used, it is essential that the proprietor actually uses the mark. Where a mark is not used for a long period of time, this is a justifiable reason to remove the mark from the Trademark Register in order to allow other members of the public who may be interested in using the mark or a similar mark to use same. The application to take off a registered trade mark from the register may be

made by any person concerned to the court or at the option of the applicant to the Registrar (section 31(1) TMA).

The grounds of non-use entails that the trademark was registered without any *bona fide* intention that it should be used and in fact there has been no *bona fide* use of the trade mark in relation to those goods up to one month before the date of the application or that there was no *bona fide* use of the trademark for a continuous period of five years or longer up to one month before the date of the application. For example, a mark was struck from the register for non-use for seventeen years (*John Batt & Co v. Dunnet & Anor* (1899) AC 428). Where there is an intermittent use of the mark between a long period of time, such intermittent use must be done *bona fide* and not merely as a means of stopping an application for the striking out of the mark. If it is the latter, the court or Registrar may still strike out the trademark (*Procter & Gamble Ltd v. Global Soap & Detergent Industries* (1989) FHCLR 357).

However, an applicant cannot rely on non-use where the non-use of a trade mark is shown to have been due to special circumstances in the trade and not to any intention not to use or to abandon the trade mark. Special circumstances here refer to factors outside the control of the trademark proprietor which applies to that trade generally or not due to the fault of the proprietor. An example is government policies banning importation (*Manus A/B v. R.J Fullwood & Bland Ltd* (1948) 65 RPC 329) or regulatory policies or approvals which may take long duration to obtain.

### **3.3.5 Extended Trademarks Rights**

There are instances where trademark rights may be extended to cover other areas not traditional concept of likelihood of confusion. This section shall discuss such instances.

#### **3.3.5.1 Concept of defensive registration**

The general rule for the protection of trademarks is that the proprietor can exclude the use of the trademark or any other similar mark with respect to the specific goods or class or description of goods for which the trademark was registered (Sections 4,5 and 6 TMA). For instance, if the mark XYZ was registered for soap, it should prevent the use of the mark on soaps, detergents and other cleaning agents. The test



for the infringement of the trademark is therefore dependent on the likelihood of confusion by the consumer which requires evidence of similarity in the marks as well as similarity in the goods or services for which the mark was registered.

However, there has been an additional recognition of the need to protect trademarks where they are used in dissimilar products or services in order to avoid the dilution or reduction of the distinctiveness of the mark. This additional protection is particularly with regards to well known or famous marks. Dilution occurs where a famous mark is used on good or services that are different or unrelated to the trademark proprietor's goods or service. The essence is to prevent such wide use of the mark from reducing consumer's strong association of the trademark with the trademark proprietor's goods or services thereby reducing its strength or value as an identifier of the trademark proprietor's goods or sources or lessening its source or origin function.

Well known marks are protected under Article *6bis* of the Paris Convention and Article 16(3) of the TRIPS Agreement. The Nigerian Trademarks Act allows for the protection of well-known marks through what is referred to as defensive registration under section 32 of the TMA. It therefore permits a trademark proprietor to do a defensive registration of a mark even though there is no use or proposed use of the mark in respect of those other goods or description of goods for which it was defensively registered. Such trademarks are stipulated not to contradict the provisions on non-use under section 31 and cannot be struck out of the register on the basis of non-use.

The first requirement stipulated for a defensive registration under section 32 is that the mark should consist of an invented word or invented words. This also reiterates the argument that invented words seem to occupy the highest level of distinctiveness under the Act. The second criterion is that the mark should have been used in respect of any goods in respect of which it is registered (familiar goods). This means that the mark must have been used to qualify for a defensive registration. Where the applicant is still proposing to use the mark, such an applicant cannot qualify for defensive registration since the essence is to protect well known marks. The Act does not provide a yard stick for determining whether a mark is well known or not,

but the opinion of the consuming public should be taken into consideration. In the United States, factors that are considered include the duration, extent and geographic reach of advertising and publicity of the mark, the amount, volume and geographic extent of sales of goods or services offered under the mark and the extent of actual recognition of the mark (15 USC, section 1125(c)(2)(A)).

The third requirement is that the notoriety of the mark is such that it would be likely to be taken as indicating a connection in the course of trade between the goods of the third party and a person entitled to use the trademark in relation to the familiar goods. Once these three requirements are fulfilled, a trademark proprietor of a well-known mark may apply in the prescribed manner for his name to be registered in respect of those other goods as a defensive trademark.

The defensive trademark as well as the trademark of the familiar goods would be deemed to be associated trademarks under the Act (Section 32(3) TMA). The defensive registration of a trademark may however be canceled upon application to the court or Registrar on the ground that the requirements for its registration are no longer satisfied in respect of any goods in respect of which the trademark is registered in the name of the same proprietor otherwise than as a defensive trademark. It can also be cancelled on the ground that there is no longer any likelihood that the use of the trademark in relation to those goods would be taken as giving the indication that the third party's goods are linked to the proprietor of the well-known mark. In addition, the Registrar may at any time cancel the registration as a defensive trademark where there is no longer any registration in the name of the same proprietor otherwise than as a defensive trademark.

#### **3.3.5.2 Comparative advertisement under the TMA**

Comparative advertisement refers to direct or indirect reference to the name, attributes, price, quality and other features of goods and services of a competitor in the process of advertising one's goods or services. The essence is usually to convince the consumer that one's goods are better and as a result to persuade the consumer to choose one's goods or services. Whether comparative advertisement is permitted depends on whether a trademark is registered under Part A or B of the registry.

The Act does not permit comparative advertisement of trademarks registered under Part A. Section 5(2) provides that "... that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark or a registered user thereof, using it by way of the permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered, and in such manner as to render the use of the mark likely to be taken either -

- a) as being use as a trademark; or
- b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular or other advertisement issued to the public, as importing a reference to some person having the right either as proprietor or as registered user to use the trademark or to goods with which such a person as aforesaid is connected in the course of trade."

Comparative advertisement will qualify as use in the course of trade under section 5(2)(b) and a trademark proprietor can use this to prevent comparative advertisement (see *Bismag Ltd v. Amblins (Chemists) Ltd* (1940) Ch 667).

With regards to trademarks registered under Part B, section 6(2) provides that 'In any action for infringement of the right to the use of a trade mark given by such registration as aforesaid in part B of the register, no injunction or other relief shall be granted to of the register, no injunction or other relief shall be granted to the plaintiff if the defendant establishes to the satisfaction of the court that the use of which the plaintiff complains is not likely to deceive or cause confusion or to lead to the belief in a connection in the course of trade between the goods and some person entitled either as proprietor or as a registered user to use the trade mark.' This means that where a competitor can establish that the use of the mark is not likely to cause confusion or lead to a belief of a connection between the competitor's goods and the trademark proprietor, then comparative advertisement is permitted.

Some authors have contended that comparative advertisements should be allowed under the Act since there are other laws that could protect the trademark proprietor particularly where the comparative advertisement is untrue. Such laws include the Trade Malpractices Act, consumer protection laws, unfair competition laws. Other

advocates for comparative advertisement have done so based on the access of consumers to information that can aid them in making choices particularly where the comparative advertisement is true.

### **3.3.6 Rectification of Trademarks Register**

The TMA makes provision for the rectification of the Register on the application of a concerned person or the Registrar. Any concerned person concerned who alleges that any entry has not been inserted in, or has been omitted from, the register or any entry has been made in the register without sufficient cause or any entry wrongly remains on the register or any error or defect exists in any entry on the register, may apply in the prescribed manner to the court or, to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as the tribunal thinks fit (section 38(1) TMA). Rectification of the register also includes removing a registration in Part A of the register to Part B. It can also entail striking out a trademark from the register on the grounds of non-use.

If there is a pending action in the court, the application must be made to the court, but in any other case the application is made to the Registrar who may at any stage of the proceedings, refer the application to the court, or he may, after hearing the parties, determine the question between them, subject to appeal to the court (section 56, TMA). In case of fraud in the registration, assignment or transmission of a registered trade mark, the Registrar may himself apply to the court for the rectification of the register (Section 38(3) TMA).

Where the court grants an order for the rectification of the register, it shall direct that notice of the rectification to be served in the prescribed manner on the Registrar, and the Registrar shall on receipt of the notice rectify the register accordingly.

#### **SELF-ASSESSMENT EXERCISE (SAE) 13**

1. What is the duration of trademark and the effect of non-use of a trademark?
2. Beyond the traditional rights granted to a trademark owner under sections 5 and 6 of the TMA, how can trademark rights be extended to cover some other scope under the

### 3.4 Summary

Trademark rights can last for an indefinite period of time subject to renewal. Even where the renewal period has expired, the proprietor can still renew subject to the fulfilment of certain requirements. The trademark registry may be rectified on various grounds including the striking out of a mark for non-use. In addition, trademark rights can be extended through defensive registration of marks and also the prevention of comparative advertisement.

### 3.5 References/Further Reading/Web Source

- 1) Adejoke O. Oyewunmi, *Nigerian Law of Intellectual Property* (Unilag Press and bookshop Ltd, 2015)
- 2) *John Batt & Co v. Dunnet & Anor* (1899) AC 428
- 3) *Procter & Gamble Ltd v. Global Soap & Detergent Industries* (1989) FHCLR 357
- 4) *Manus A/B v. R.J Fullwood & Bland Ltd* (1948) 65 RPC 329
- 5) 15 USC, section 1125©(2)(A)
- 6) South African Trademarks Act (No 194) of 199, section 34(1)(c )
- 7) Canadian Trademarks Acr RSC 1985 c.T-13, section 22
- 8) *Bismag Ltd v. Amblins (Chemists) Ltd* (1940) Ch 667
- 9) Article 6 of the Paris Convention
- 10) Article 16(3) of the TRIPS Agreement
- 11) 15 USC, section 1125(c )(2)(A)

## MODULE 3 TRADEMARKS

### **Unit 4: Exploitation of Trademarks**

4.1 Introduction

4.2 Learning Outcomes

#### **4.3 Exploitation of Trademarks**

4.3.1 Permitted Use or Licensing of Trademarks

4.3.2 Assignment of trademarks

4.3.3 Franchises

4.4 Summary

4.5 References/Further Reading/Web Sources

#### **4.1 Introduction**

Trademarks, like other proprietary rights, can be leased or licensed and also sold or assigned. This enables the trademark owner to commercialise the mark in various ways in addition to using it on goods and services. This Unit shall examine the exploitation of trademarks through licences and assignment. It shall also consider the concept of franchising

#### **4.2 Intended Learning Outcomes**

At the end of this study, you should be able to:

1. Understand the exploitation of trademarks through licences and assignments
2. Know what franchises are

#### **4.3 Exploitation of Trademarks**

##### **4.3.1 Permitted Use or Licencing of Trademarks**

The TMA does not provide for the expression ‘licence’ but it allows permitted use. Permitted use in this case is considered more restrictive of licences in that the trademark owner is expected to exercise control over the quality of goods and services to which the trademark is affixed in the case of permitted uses. The permitted use is also required to be registered with the Registrar. The essence is to ensure that even if two or more persons are using the trademark, there would be only one source of controlling the quality and where a member of the public is

interested in finding out who bore the ultimate responsibility for the quality of the goods, he or she would be able to do so by inspecting the relevant entries of the register (see *Mc Gregor Trademark* (1979) RPC 36).

Sections 33 and 34 of the TMA govern the permitted use of a registered trademark. A licensee or someone who has a permitted use of a trademark may be registered as a registered user of a mark in respect of all or any of the goods in respect of which it is registered and either with or without conditions or restrictions. Where the registration is subject to any conditions or restrictions, the permitted use does not include any use which does not comply with those conditions or restrictions.

Since the permitted use of the mark is still subject to quality control by the trademark proprietor and in order to preserve the source or origin function of a trademark, the Act stipulates that the permitted use of a trade mark shall be deemed to be use by the proprietor and not to be use by a person other than the proprietor (section 33(3) TMA). This indicates that the intention is that the trademark proprietor shall still be ultimately liable to the consumer. In the same vein, a registered user of a trade mark shall be entitled to call upon the proprietor to take infringement proceedings against third parties subject to the agreement between the parties (section 33(4) TMA). Where the proprietor refuses or neglects to institute the action within two months after being so called upon, the registered user may institute proceedings for infringement in his own name as if he were the proprietor and making the proprietor a defendant. However, such a proprietor so added as defendant shall not be liable for any costs unless he enters an appearance and takes part in the proceedings.

A permitted use of a trademark does not give the registered user the right or power to grant sub-licences or permitted uses to third parties (section 33(5) TMA). The registered user therefore has no right or power to assign or transfer the right to use the mark to third parties; it is a personal right exercisable only by the registered user.

In addition to the above, the Act provides other stipulations to govern the relationship between the trademark proprietor and the registered user. The trademark proprietor and the proposed registered user are to apply in writing to the Registrar in the prescribed manner and shall furnish him with a statutory declaration made by the proprietor, or by some person authorised to act on his behalf and approved by the Registrar (Section 34(1) TMA). The application for the registration of the permitted use is required to give certain details. Such details include particulars of the relationship, existing or proposed, between the proprietor and the proposed registered user, including particulars showing the degree of control by the proprietor over the permitted use which their relationship will confer and whether it is a term of their relationship that the proposed registered user shall be the sole registered user or that there shall be any other restriction as to persons for whose registration as registered users application may be made. This essentially means that the application must stipulate the degree or manner of quality control to be exercised by the proprietor on the registered user and whether the permitted use is an exclusive or non-exclusive one. The goods in respect of which registration is propose; and, any conditions or restrictions proposed with respect of the characteristics of the goods, to the mode or place of permitted use, or to any other matter must also be stated. The particulars also include the duration of the use whether it is to be for a period or without limit of period, and, if for a period, the duration thereof. The Registrar shall be furnished with such further documents, information or evidence as may be required under the Regulations or by the Registrar.

After the Registrar has considered the information given and he is satisfied that in all the circumstances the use of the trade mark in relation to the proposed goods or any of them by the proposed registered user, subject to any conditions or restrictions which the Registrar thinks proper, would not be contrary to the public interest, the Registrar may register the proposed registered user as a registered user in respect of the goods as to which he is so satisfied. The Registrar shall refuse an application if it appears to him that the grant thereof would tend to facilitate trafficking in a trademark.



At any time, the registration may be varied or cancelled by the Registrar as a registered user may be varied by the Registrar on certain grounds as stipulated in section 34(5) TMA such as where the registered user has used the trade mark otherwise than by way of the permitted use, or in such a way as to cause, or to be likely to cause, deception or confusion, or where the proprietor or the registered user misrepresented, or failed to disclose, some fact material to the application for the registration, or that the circumstances have materially changed since the date of the registration. Also, where the trademark is no longer registered, the Registrar can cancel the registration. Any decision of the Registrar in this regard shall be subject to appeal to the court.

Once validly registered, the registered user has the right to use the mark as stipulated in the agreement and this right can be enforced in court. In *Reckitt & Colman Ltd v. Gongoni Co. Ltd & 2 Ors* (1997-2003) 4 IPLR 280, the respondent was the registered user in Nigeria with the right to formulate, manufacture and distribute an insecticide powder under the mark 'Pif Paf'. The respondent's right was registered with the Trademark Registry and the National Agency for Food and Drug Administration (NAFDAC). Reckitt and Coleman (U.K) Plc acquired the rights of the trademark proprietor worldwide including its responsibilities to the registered user. The Appellant being an associate of the UK company in Nigeria sought to register the same Pif Paf product with the Trademark Registrar and NAFDAC. The court granted an injunction restraining the appellant on the ground that the respondent had a valid licence and manufacturing contract with the UK company.

#### **4.3.2 Assignment of Trademarks**

A trademark proprietor has the right to assign and transmit the trademark to third parties and give effectual receipts for any consideration given for the assignment subject to any rights appearing from the register to be vested in any other person (section 29, TMA). Such rights appearing in the register includes for instance the right of a registered permitted user (*Reckitt & Colman Ltd v. Gongoni Co. Ltd & 2 Ors* (1997-2003) 4 IPLR 280).

At common law, assignment of a trademark was effective only if it was assigned together with the goodwill of the business. This was because a trademark is useful for distinguishing the products and services of one business undertaking from those of another undertaking. Members of the public therefore used trademarks to indicate the source or origin of goods and services. To allow the assignment of trademarks without the business goodwill would break this essential link.

However, under the TMA, a registered trade is assignable and transmissible either in connection with the goodwill of a business or not (section 26(1) TMA). The allowance of assignment of trademark without the business goodwill is necessitated by exigencies such as where a trademark owner of many marks wants to assign one of them to a distributor (which is a wholly owned subsidiary) or where the proprietor wants to assign a mark registered for a product which it has never used. Also, the likelihood of confusion in such instances is not likely. However, in order to protect members of the public, where a trademark is assigned without the goodwill, an advertisement in the form and manner prescribed by the Registrar is required in order to notify the public about this fact (section 26(4),(5) TMA).

Furthermore, a registered trademark can be assigned in respect either of all the goods in respect of which it is registered, or was registered, as the case may be, or of some (but not all) of those goods (section 26(2) TMA). An unregistered trademark may also be assigned if it is assigned at the same time and to the same person as the assignment of the registered mark and it is used in the same business as the registered business (section 26(3) TMA).

An assignment or transmission of a trademark is required to be registered with the Registrar. The person entitled shall make an application to the Registrar to register his title, and the registrar shall, on receipt of the application and on proof of title to his satisfaction, register him as the proprietor of the trademark in respect of the goods in respect of which the assignment or transmission has effect, and shall cause particulars of the assignment or transmission to be entered on the register (section 30(1)TMA).

### 4.3.3 Franchises

A franchise entails a permitted use of a trademark and much more in that a franchise agreement entails a replication of the business and operations of the franchisor in such a way that the franchisee's business would be essentially the same as that of the franchisor. A franchise therefore contemplates the use of a broad range of intellectual property rights such as formulas and knowhow (patents and trade secrets); design and get up of the business and its products; trademarks; adverts, written and artistic expressions (copyright) among others.

In the absence of a single law regulating franchises, a plethora of laws are applicable to a franchise relationship which includes patent, designs, trademarks, copyright and other intellectual property laws; law of contract; law of commercial transactions; company law and other specific laws regulating the industry in which the franchise is operating. A franchise agreement which sets out the terms and conditions of the relationship entails matters relating to the duration, renewal and rights and obligations of the parties. In order to maintain the same standard of operations, the franchisor should have an obligation to continue to provide training and necessary technical assistance to the franchisee and exercise quality control over the products and services of the franchisee. The franchisee must also comply with all standards and directives on territorial restrictions and the protection of intellectual property rights.

Where intellectual property rights are involved, the franchisee must register the licence, which must be in writing, at the appropriate registry. The agreement must also be duly registered at the National Office for Technology Acquisition and Protection (NOTAP).

Franchises are advantageous because it usually entails technology transfer particularly from expatriate businesses into Nigeria. It provides employment opportunities and helps to boost the business of the local franchisee who relies on the existing goodwill, expertise and customer base of the franchisor. The franchisee spends less on advertisement and other similar expenses.

#### **SELF-ASSESSMENT EXERCISE (SAE) 13**

1. Discuss the various modes of exploiting trademark rights

#### **4.4 Summary**

In this unit, we have discussed the various modes of examination of exploiting through licences and assignments. Franchises were also discussed

#### **4.5 References/Further Reading**

- 1) Adejoke O. Oyewunmi, *Nigerian Law of Intellectual Property* (Unilag Press and bookshop Ltd, 2015)
- 2) Jide Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trade Marks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2006) pp. 198-203
- 3) *Mc Gregor Trademark* (1979) RPC 36
- 4) *Reckitt & Colman Ltd v. Gongoni Co. Ltd & 2 Ors* (1997-2003) 4 IPLR 280

## MODULE 3 TRADEMARKS

### **Unit 5: Infringement of Trademarks**

#### 5.1 Introduction

#### 5.2 Learning Outcomes

#### 5.3 Main Contents

##### 3.1 Infringement of Trademarks

##### 3.2 Remedies for Infringement

##### 3.3 Criminal Actions for Trademarks Infringement

##### 3.4 Defences to Infringement Actions

#### 5.4 Summary

#### 5.5 References/Further Reading/Web Sources

### **5.1 Introduction**

This unit shall discuss what amounts to infringement of trademark rights and the remedies available for such infringement.

### **5.2 Intended Learning Outcomes**

At the end of this study, you should be able to:

1. know actions that amount to infringement of trademark rights
2. understand the available remedies for trademark infringement
3. know the defences to an infringement action.

### **5.3 Infringement of Trademarks**

#### **5.3.1 Infringement of Trademarks**

The registration of a trademark confers exclusive rights to use the mark on the registered proprietor in relation to the goods or services for which the trademark is registered. Any unauthorized use of the mark therefore constitutes an infringement for which the proprietor is entitled to sue. By the provisions of section 5(2) TMA, a trademark registered under Part A "... shall be deemed to be infringed by any person who, not being the proprietor of the trademark or a registered user thereof using it by way of the permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods

in respect of which it is registered, and in such manner as to render the use of the mark likely to be taken either -

- (a) as being use as a trade mark; or
- (b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular or other advertisement issued to the public, as importing a reference to some person having the right either as proprietor or as registered user to use the trade mark or to goods with which such a person as aforesaid is connected in the course of trade.”

The use of an identical mark or a mark that nearly resembles the registered trademark therefore amounts to infringement. The use must be one that likely to deceive the public or cause confusion in the mind of the consuming public as to think that the goods of the infringer is the same as that of the trademark proprietor or at least that there is a connection between the infringer and the trademark proprietor. To amount to infringement, such use by the third part should also ne in the course of trade, business or commerce which includes using the mark on products or services, advertisement and so on. As stated earlier in Unit 3, for marks registered under Part A, even a comparative advertisement would amount to infringement under section 5(2)(b) which forbids use in advertisement which can import a reference that the third party has the right to use the mark of the trademark proprietor.

Similar rights are vested on a trademark proprietor with respect to marks registered under Part B of the register. However, section 6(2) provides a less strict standard for infringement by stipulating that “... no injunction or other relief shall be granted to the plaintiff if the defendant establishes to the satisfaction of the court that the use of which the plaintiff complains is not likely to deceive or cause confusion or to lead to the belief in a connection in the course of trade between the goods and some person entitled either as proprietor or as a registered user to use the trade mark.” Marks registered under Part B therefore have a lesser protection in that the defendant is allowed to prove that the use of the mark is not likely to deceive or cause confusion or lead to a belief of connection between the defendant and the trademark proprietor. It therefore seems that comparative advertisements may be permissible in such instances.

In order to succeed in a trademark infringement action, it is essential that the claimant should provide the evidence of registration of the trademark as this is the foundation upon which he claims a proprietary right and brings the action. In the absence of this evidence, the action will fail (see *Crysterlight Overseas Agency Ltd v. Ygolex Drugs Co. Ltd & Anor* (1997-2003) 4 IPLR 178). After this, the Claimant shall establish the actions carried out by the defendant and that such actions fall within the claimant's rights which has been infringed. It therefore lies on the claimant to prove infringement. Where the marks are identical and they are used in the course of trade, infringement is usually clear. However, where the marks are resembling marks, the onus lies on the claimant to prove that its use is likely to deceive or confuse the consuming public.

In determining the likelihood of confusion, the court considers the two marks in terms of the senses of sights and sounds and holistically. It examines them in the perspective of the average consumer who usually does not have the opportunity to scrutinize the two marks or place them side by side before making a purchasing decision. It considers the fact that many times, consumers decide based on a recollection of the trademark. It also takes the level of literacy of the consuming public into consideration. Examples of infringing marks include Cacchus infringing on Bacchus (*Nigeria Distillers Ltd v. Gybo & Son (Nig) & Anor* (1997-2003)4 IPLR 464), Casorina infringed on Castoria (*Alban Pharmacy v. Sterling Products International* (1968) NCLR 151), Glucose-Aid on Lucozade (*Beecham Group Ltd v. Esdee Food Products (Nig) Ltd* (1985) 3 NWLR (pt 11) 112).

It must be noted that the intention of the defendant need not be fraudulent or deliberate in using the mark. The expression 'likely to deceive' does not imply fraud. What matters is the effect of the use of the mark by the defendant on the consuming public (see *Re Egg Product's Application* (1922) 39 RPC 155).

### **5.3.2 Remedies for Infringement**

The remedies available for trademark infringement are the civil remedies available in an action of infringement of proprietary interests such as damages, injunction and accounts. These are discussed below.

### **5.3.2.1 Damages**

This refers to money claimed or ordered by the court to a person as a compensation for loss or injury. It is the monetary compensation paid to a design owner for the infringement of his rights. While there are different types of damages, the most common are general and special damages. General damages refer to compensation for losses that naturally flows from the act of the defendant and it need not be proved by the plaintiff as it is presumed by law. Special damages on the other hand are not presumed by law and the plaintiff has to provide evidence in this regard before the courts can grant it.

While there is no hard and fast rule in the determination of damages, factors that can be considered include the amount of royalties had the defendant obtained a contractual licence, amount of trade or business lost by the claimant due to the defendant's sale or use of the infringing goods, duration over which the infringement lasted, damage to the goodwill of the claimant among others. (see *Singer Co. v. Paul Asuzu* 10 ENLR 229).

### **5.3.2.2 Injunction**

One of the most important remedies for trademark infringement is an injunction since damages may not always be a sufficient remedy (see *Beecham Group Ltd v. Esdee Food Products (Nig) Ltd* (1985) 3 NWLR (pt 11) 112; *Alban Pharmacy v. Sterling Products International* (1968) NCLR 151). An injunction is an order of the court compelling a party to do or refrain from doing an act. It is an equitable remedy granted at the discretion of the court.

There are different types of injunctions. An interlocutory injunction is granted pending the determination of a case and it is very useful for restraining an alleged infringer from continuing his acts of infringement or for the parties to maintain *status quo* till the matter before the court is finally determined. This would ensure that no further loss comes to the patent owner. A perpetual injunction on the other hand is granted after the final determination of a case when the plaintiff has been able to prove to the court that he a right which right was violated by the defendant.



Another type of injunction is an interim injunction which lasts for a very short time such as till a named date or the happening of an event. It is usually used in cases involving urgency and granted *ex parte* pending an application on notice to the defendant on a later date. Because of the urgency involved, it is not a requirement that the plaintiff must have instituted an action before the court before it is granted. Interim injunctions are therefore very useful where there is concern that delay would cause an irreparable damage.

The conditions for the grant of an injunction are settled in various judicial authorities (*American Cyanamid Co. v. Ethicon Ltd* (1975) 1 ALL ER 504). These conditions include that:

- a) The plaintiff has to satisfy the court that he has an arguable case. This does not mean a strong case but a prima facie case would be sufficient.
- b) Damages must not be a sufficient remedy. This condition is fundamental to the grant of an injunction as where damages are sufficient, an injunction would not be granted.
- c) The court would also weigh the balance of convenience before granting an injunction.
- d) The financial standing and ability of the defendant to liquidate damages.
- e) Other conditions include the conduct of the parties (*Saraki v. Kotoye* (1989) 1 NWLR (Pt. 98) 419).
- f) Delay by the plaintiff in bringing the action as this may be considered as acquiescence (*Foseco Int. Ltd v. Fordath Ltd* (1975) F.S.R. 507).
- g) the plaintiff is also required to give an undertaking as to damages should it be proved that the injunction ought not to have been granted in order to protect the interest of the defendant.

### **5.3.2.3 Accounts of Profit**

This remedy allows the claimant to recover profits made by an infringer on his trademark where the defendant has commercially dealt the design or made profit from it. It is only awarded where the defendant has actually made profits from the act of infringement. The profit that is awarded is usually the net profit i.e the gross profit excluding all other expenses of the defendant in producing the work.

The court also determines the amount of profit that accrued directly from the infringing work and not necessarily the entire business of the defendant. Note that a Claimant would not be allowed to have both damages and account of profits in order to prevent double compensation (*Beecham Group Ltd v. Esdee Food Products (Nig) Ltd* (1985) 3 NWLR (pt 11) 112). He has to elect one of these remedies. Therefore, where the profit made by the defendant is not so much, it may be better for a plaintiff to rather sue for damages.

#### **5.3.2.4 Order for seizure and Inspection (Anton Piller Order)**

This order is a special type of injunction issued by the court which allows a plaintiff to enter the premises of the defendant in order to seize and preserve evidence that is essential to proving the defendant's liability. It is a very important order considering the facts that many times; infringers carry out their acts in secret or are prompt to destroy any evidence linking them to the infringement. The fact that it is made *ex parte* preserves the surprise effect on the defendant who is taken unawares and has no time to hide or destroy evidence (see *Ferodo Ltd v. Unibros Stores* (1999) 2 NWLR 509)

This order is called Anton Piller order after the case where it was first granted in *Anton Piller KG v. Manufacturing Processes Ltd* (1976) 1 All ER 779. This case stipulated the conditions under which it can be granted. The plaintiff must have a strong prima facie case and potential or actual damage to him should be serious. The defendant should also be in possession of evidence that is vital to the plaintiff's case and a real possibility of the defendant destroying or disposing of such evidence. Note that being fundamentally an injunction, other conditions for the grant of an injunction also applies here. The court in this case distinguished this order from a search warrant in that it puts pressure on the defendant to permit the plaintiff to enter into his premises otherwise he may risk being committed for contempt of court.

#### **5.3.2.5 Conversion or Delivery Up**

The trademark owner may be able to request the court that all the infringing goods and materials used in their production should be converted to or delivered

to him by the defendant (see *Sumal Foods v. Wholesome Foods* (1990-97) 3 IPLR 52.

#### **5.3.2.6 Destruction**

A Claimant may also be entitled to request for the destruction of the infringing products as a general civil remedy that ‘is available in any corresponding proceedings in respect of infringement of other proprietary rights’. Destruction would be useful where the works made by the infringer are of lesser quality, which is usually the case. The owner may want such goods to be destroyed in order to avoid any damage to his reputation or the quality of his works.

#### **5.3.3 Criminal actions for trademarks infringement**

The essence of criminalizing trademark infringement is to curb organized crime groups that are dealing in counterfeit, false or deceptive goods thereby misleading the members of the public and also endangering the health, safety and wellbeing of the public. There are three legislations that provide criminal liabilities in this regard which are the Merchandise Marks Act, Cap M10 LFN 2004, the Trade Malpractices (Miscellaneous Offences) Act Cap T12, LFN 2004, and the Counterfeit and Fake Drugs and Unwholesome Processed Foods (Miscellaneous Provisions) Act Cap C34, LFN 2004.

By virtue of the provisions of the Merchandise Marks Act, acts that amount to an offence include forgery of trademarks, false application to goods of any trademark or any marks so nearly resembling a trademark as to be calculated to deceive; making, disposing of or having in one’s possession any die, block, machine or other instrument for the purpose of forging or capable of being used for forging a trademark; application of any false trade description to goods; and sale of goods to which false trademarks are applied (section 3). Forging a trademark means making the trademark or a mark so nearly resembling that trade mark as to be calculated to deceive; falsifying genuine trademark by alteration, addition, effacement or otherwise without the consent of the proprietor (section 4). The offence of applying a trademark or description to goods arises where the mark is applied to goods themselves; or to any covering, label, reel or other thing in or with which the goods are sold or exposed. Such coverings include bottles, boxes, wrappers, etc. (section 5).

The Trade Malpractices (Miscellaneous Offences) Act contain offences such as labelling, packaging, sale , offering for sale or advertising of any product in a manner that is false or misleading or is likely to create a wrong impression as to its quality, character, brand name, value, composition, merit or safety (section 1(a)). The Special Trade Malpractices Investigation Panel is saddled by section 2 of the Act to investigate whether an offence has been or is being committed under the Act. Upon investigation, the panel shall submit its report to the AGF who if satisfies that an offence has been committed shall undertake prosecution (sections 3 and 4).

Counterfeit and Fake Drugs and Unwholesome Processed Foods (Miscellaneous Provisions) Act punishes any person who produces, imports, manufactures, sells, distributes or is in possession of; or sells or displays for the purpose of sale; or aids or abets any person to produce, import, manufacture, sell, distribute or display for the purpose of sale, any counterfeit, adulterated, banned or fake, substandard or expired drug or unwholesome processed food, in any form whatsoever (section 1). The essence is to protect public health since such perpetrators usually affix the trademark of the registered trademark proprietor in order to deceive unsuspecting members of the public. The Federal High Court has the jurisdiction to try offences under the Act (section 4). Enforcement task force is also created at the federal and state levels as well as a Nigerian Police Force Squad (sections 5 -9).

### **5.3.4 Defences to Infringement Actions**

There are certain defences available to a defendant in an action for trademark infringement. These are discussed below.

#### **5.3.4.1 Non-Registration or Invalidity of Registration of the Trademark**

Before a Claimant can sue for infringement under the Act, the claimant must have a valid registration of the trademark allegedly infringed upon. Therefore, if there was no valid registration then, then the defendant shall be absolved from liability. Although section 49 provides that the registration of a trademark is a presumption of its validity, such registration may still be challenged and it can be invalidated based on its contravention of provisions of the TMA. Grounds of invalidity

include the fact that the registration was obtained by fraud, the mark is deceptive or scandalous, non-use, not distinctive and so on.

#### **5.3.4.2 No Likelihood of Deception**

This entails the defendant proving that there is no likelihood of deception of the consuming public that the goods emanated from the trademark proprietor or are connected to the trademark proprietor. This could be because the marks are different or that the mark is used in respect of different goods from which the trademark proprietor registered the mark (in the absence of a defensive registration). Also, where the trademark is generic or descriptive, the mark would entail words, symbols or other things that is actually a public good which should be freely available to members of the public.

#### **5.3.4.3 Right to Independent Use**

Where the defendant has a honest concurrent use of the mark under sections 7 and 8 of the Act. Also by section 5(4) The use of a registered trade mark, being one of two or more registered trademarks that are identical or nearly resemble each other, in the exercise of the right to the use of that trade mark given by such registration as aforesaid, shall not constitute an infringement of the right to the use of any other of those trademarks given by such registration. Hence, where a defendant has validly registered his mark also, even if his mark is identical to that of the plaintiff, its use shall not without more constitute infringement.

#### **5.3.4.4 Consent, Delay or Acquiescence**

This refers to where the defendant is a licensee or has a permitted use of the trademarks. Delay would generally to defeat the action of the claimant. Acquiescence is where it is shown that the defendant is generally aware of the act of infringement but refuses to actually take an action on this.

#### **SELF-ASSESSMENT EXERCISE (SAE) 14**

1. Discuss the test for the infringement of trademark right.
2. Discuss the defences that may avail a defendant in an action for trademark infringement.

## 5.4 Summary

In cases of infringement, a trademark proprietor is entitled to civil remedies under the Nigerian law even though such remedies are not expressly stipulated in the TMA. Such remedies include damages, accounts, injunction and delivery up. In addition to civil remedies, there are criminal remedies for trademark infringement as provided under related laws. The essence of creating offences with respect of trademark infringement is to protect the public interest and especially the consumer from deception that could lead to health and other hazards.

## 5.5 References/Further Reading

- 1) Adejoke O. Oyewunmi, *Nigerian Law of Intellectual Property* (Unilag Press and bookshop Ltd, 2015)
- 2) Jide Babafemi, *Intellectual Property: The Law and Practice of Copyright, Trade Marks, Patents and Industrial Designs in Nigeria* (Justinian Books Ltd, 2006)
- 3) *Maduka v. Tropical Naturals, Ltd.* (Civil Action No. 17-1835 United States District Court for the Eastern District of Pennsylvania, decided Sep 10, 2019)
- 4) *Crysterlight Overseas Agency Ltd v. Ygolex Drugs Co. Ltd & Anor* (1997-2003) 4 IPLR 178
- 5) *Nigeria Distillers Ltd v. Gybo & Son (Nig) & Anor* (1997-2003) 4 IPLR 464
- 6) *Alban Pharmacy v. Sterling Products International* (1968) NCLR 151
- 7) *Beecham Group Ltd v. Esdee Food Products (Nig) Ltd* (1985) 3 NWLR (pt 11) 112
- 8) *Re Egg Product's Application* (1922) 39 RPC 155
- 9) *Singer Co. v. Paul Asuzu* 10 ENLR 229
- 10) *Ferodo Ltd v. Unibros Stores* (1999) 2 NWLR
- 11) *Sumal Foods v. Wholesome Foods* (1990-97) 3 IPLR 52