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Inaugural
NEWSLETTER

This Edition of Newsletter contains articles on effective and efficient IP Registries, TRIPS and its impact on developing countries; Registration of imported products, Beijing Treaty on audiovisual performances, an exclusive interview with the Registrar of Trademarks, chain of title and the practical use of rights and the Kasea trademark infringement case.



iplan
INTELLECTUAL PROPERTY LAW
ASSOCIATION OF NIGERIA



ABOUT IPLAN

IPLAN is an association that seeks to foster the development of IP rights, protect the interests of the public in the use, protection and exploitation of IP and cooperate with local and international organizations and governments in the administration of IP in Nigeria.



PRESIDENT
FEMI OLUBANWO



Dear Reader,

It is my pleasure to introduce to you the maiden edition of The IPLAN Newsletter!

Since its founding in 1994, IPLAN has been at the vanguard of pushing for the development of IP law, policy and practice in Nigeria.

The newsletter is a tool that reinforces one of the aims of IPLAN - sensitizing the public and educating the business community and, indeed, Nigeria as a whole on the importance of IP rights and the role it plays in national economic development. It also emphasizes IPLAN's determination to play a leadership role in public policy matters concerning IP law and practice in the country.

In this inaugural edition of The IPLAN Newsletter, there is an array of enlightening articles by seasoned IP practitioners on contemporary IP issues. The topics addressed in this edition reflect deep and deliberate research on the part of the writers, as well as their vast expertise in the IP field. Consequently, I have no doubt that the insights contained in this newsletter will significantly contribute to both intellectual and technical capacity building for lawyers, regulators and other interested persons.

I must commend our editorial team, led by our able Social Secretary, Mrs Tiwalola Osazuwa, whose tireless efforts have finally brought this into fruition.

As this Executive Committee of IPLAN winds down its tenure in office, it is our aim this will be a regular newsletter published quarterly, bi-monthly or even monthly. I therefore solicit your continuing support by way of readership to encourage the publication of more editions of The IPLAN Newsletter in the future.

Sincerely,
Femi Olubanwo,
President, IPLAN



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EDITOR

TIWALOLA OSAZUWA

Dear Reader,

I am delighted to share this inaugural edition of the IPLAN Newsletter with you. The Newsletter contains expert contributions on varying aspects of intellectual property, and regulatory and legislative issues, including developments within IPLAN and the Commercial Law Department.

In this edition of the Newsletter, contributors have considered the following topics: the Beijing Treaty on Audiovisual Performances and its Implementation in Nigeria; Joint ownership of intellectual property; TRIPs Agreement and its Impact on Developing Countries; Running an effective and efficient IP Registry in Nigeria; How to determine trademark ownership; Registration of imported products with NAFDAC and Case review.

This edition also contains an insightful interview with the Acting Registrar of Trademarks.

I would like to thank the members of the editorial committee and all contributors for their input and support towards this inaugural edition of the IPLAN Newsletter.

I hope you find it informative and useful. Please send suggestions, comments, questions and contributions to future editions to tosazuwa@aelex.com.



Effective and efficient *IP Registries* in Nigeria

Nations are increasingly faced with new developments and challenges in the protection, management and enforcement of IP rights. It has therefore become imperative for nations to master the new developments and challenges posed by IP management of our age.



Adamu Shafiu Yauri
Registrar of Trademarks

Nigeria must embark on land mark efforts aimed at transforming the intellectual property rights landscape in the country

Intellectual property right is assuming increasing importance in every facet of life today, beyond what it had been originally, as a result of new developments in modern science and technology as well as challenges arising from the competitive nature of international trade.

Nations, world over, have indeed been compelled to pay greater attention to the development of intellectual property (IP) and its protection, the application of new technologies to the creation; production and distribution of works of the mind (known as intellectual property) have also tended to blur the frontiers established by the traditional concepts of IP. The result is that nations

are increasingly faced with new developments and challenges in the protection, management and enforcement of IP rights (IPR). It has therefore become imperative for nations to master the new developments and challenges posed by IP management of our age.

It is on this note that Nigeria must embark on land mark efforts aimed at transforming the IPR landscape in the country. New measures and initiatives that all stakeholders in the industrial property sector must take in order to transform the Nigerian Registries of Trademarks and of Patents and Designs, and in order to achieve success in the effective running of the IP Registries in a

21st century environment will include the following:

1. Enhancing e-system and the digitization of the Registry files and records, which is expected to improve efficiency and effective service delivery, as well as, boosting investor confidence in the operations of the Registry. In this respect, to also ensure immediate deployment of capable hands to meet short fall in the Registries, thereby making them truly professional Registries within the Ministry.
2. Conclude the drafting of a National IP Policy & Strategy which was initiated by past administrations with the support of the World



Intellectual Property Organisation (WIPO). The focus of such policy will be to build respect for the use, promotion and protection of IP, as well as, foster stronger connection between all the various sectors of the economy, and boost inter-agency collaboration amongst relevant IP agencies in the country.

3. Ensure the immediate review of the

National Industrial Property Commission Bill, in order to meet global best standards on industrial property protection and the domestication of international treaties and conventions to which Nigeria belongs.

4. In the same vein, provide adequate budgetary allocation, including adequate financial intervention, in a sustainable manner, to ensure the clearance of all backlog of publications, certificates, production of statutory forms and file jackets, clearance of backlog of opposition matters and cases.
5. Develop an awareness and sensitization campaign model, in order to boost IP awareness and increase IP education in the country, targeting the following:
 - a) political leadership
 - b) promoting SME's and R&D institutions in the use and protection of IP.
 - c) support for innovation and technology centres.
 - d) improve training for IP examiners, opposition staff and enforcement officers.
 - e) increased awareness training in the area of Madrid Agreement/Protocol and other WIPO treaties.
6. Ensure the take-off of a specialized industrial property training academy.
7. Enhance collaboration with MDA's dealing with IPRs in Nigeria – such as, the National Agency for Food and Drug Administration and Control; the National Office for Technology



The two Registries must strive to reach out to development partners on capacity building activities and other interventions from agencies such as WIPO, the United States Patent and Trademarks Office, the Japanese Patent Office, the European Patent Office and other development partners.

Acquisition and Promotion; the Nigeria Copyright Commission; the Standards Organisation of Nigeria and the Federal Competition and Consumer Protection Commission, in order to strengthen and build respect for the use and protection of IPR's in Nigeria.

8. The two Registries must strive to reach out to development partners on capacity building activities and other interventions from agencies such as WIPO, the United States Patent and Trademarks Office, the Japanese Patent Office, the European Patent Office and other development partners, with a view

of seeking technical assistance on some of the identified programmes and projects highlighted and transforming the Registries into modern 21st century Registries.

This is a task that must be done and history beckons!

Shafiu Adamu Yauri
Registrar, Trademarks

WORLD TRADE ORGANISATION

TRIPS

and its impact on developing countries



Using trade as a link, TRIPS reached all States that were or wished to become members of the multilateral trading system and harmonized all IP laws into a global regime whereby countries that previously had no regard for IP became subject to it in ways that they may not have comprehended



The key for developing countries is to be cognizant of their own stage of economic development when drafting their legislation to implement TRIPS to prevent nationalizing legislation that is detrimental to them

The Trade-Related Aspects of Intellectual Property Agreement was revolutionary in international IP protection as it introduced minimum standards for the protection of different IP rights

The last century has seen a rapid rise in intellectual property (IP) which has now been pronounced 'the new global currency'. To protect their economies, Western nations pushed for global laws to ensure the protection of their innovations worldwide, hence the development of global intellectual property laws like the Trade-Related Aspects of Intellectual Property (TRIPs) Agreement. However, developing countries and certain non-governmental organizations argue that these laws negatively affect the growth of their economies.

The development of IP law was reliant on the Global Period, during which

linkages began to be made between trade and intellectual property, which eventually led to the enactment of the TRIPS Agreement in 1995.

The Agreement was revolutionary in international IP protection as it introduced minimum standards for the protection of different IP rights (IPRs) and made it a fundamental part of the multilateral trading system as embodied in the World Trade Organization, effectively elevating it to the level of all other economic goods. By using trade as a link, TRIPS reached all States that were or wished to become members of the multilateral trading system and harmonized all IP laws into a global regime whereby countries that previously

had no regard for IP became subject to it in ways that they may not have comprehended.

Supporters of the Agreement argue that the higher standard of protection attracts foreign direct investment, which results in knowledge and technology sharing and eventual building up of the economy. Other positive effects espoused by developed countries are that the higher standard of protection stimulates local innovation and creativity, ensures fair competition and protect consumers.

On the other hand, the opponents of TRIPS argue that the system is unhelpful and harmful to the interests of developing countries, stating that it favors developed countries and transnational corporations; the over-protectionist IP regimes gradually stifling innovation by preventing input to future innovation as the licenses required to work patented and IP protected ideas are either too expensive or the particular developing country may not have the resources or capacity to exploit the technology.

Trading is one of the major occupations of most Nigerians. Accordingly, TRIPS' effect is crucial to the country. As evidenced by the level of investment in IP regimes, until recent years, IP was not a priority for government legislators. Accordingly, it is unlikely that much regard was given to the consequences of signing onto TRIPS other than the other trade implications for the country.

Fortunately for Nigerian innovators, they have been able to excel in the IP sectors, from film to technology, particularly with the onset of Financial

Technology (FinTech). Furthermore, despite our current IP legislation predating TRIPs, for the most part, it is somewhat aligned with its principles, allowing for the protection of internationally-owned IP works that are not registered in Nigeria, so long as they meet certain criteria in order to be entitled to protection.

Nevertheless, there are ongoing reforms to Nigerian IP laws and it is imperative that in drafting these reforms, care is taken to protect and promote Nigeria's economic interest over that of the developed countries, while complying with the mandates of TRIPs. This can be done by taking advantage of the flexible measures permitted under the Agreement.

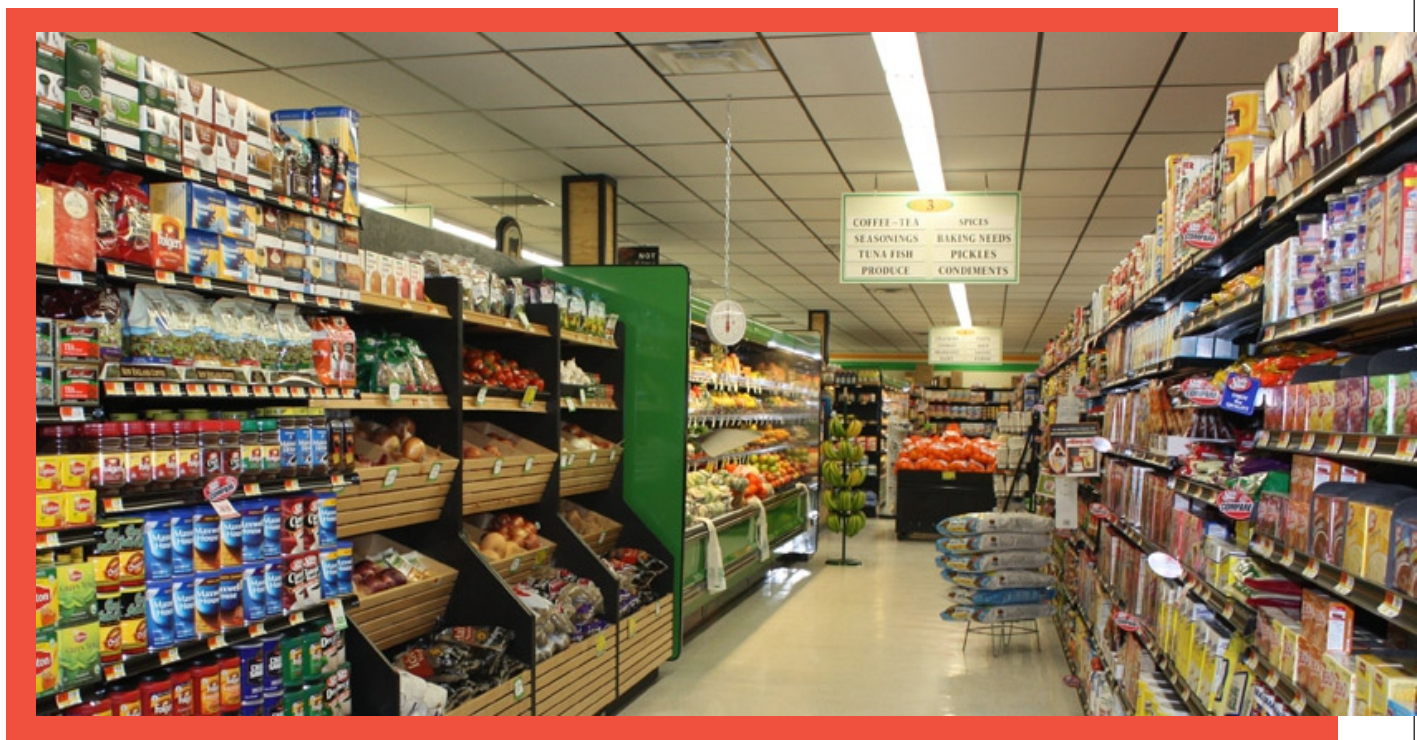
Ultimately, the key for developing countries is to be cognizant of their own stage of economic development when drafting their legislation to implement TRIPs to prevent nationalizing legislation that is detrimental to them; strive to maintain a good balance between a pro-competitive market for innovation and "protecting their own domestic innovators from free-riding appropriators".

Xerona Duke Philips
Senior Counsel
Adepetun, Caxton-Martins, Agbor &
Segun



Registration of imported products

In Nigeria, the **National Agency for Food and Drug Administration and Control** regulates the manufacture, importation, exportation, distribution, advertisement and sale of all food and drug products (including all pharmaceuticals, cosmetics, medical devices, bottled water and chemical products) to ensure that they meet prescribed standards of safety, quality and efficacy.



Manufacturers are required to obtain registration of their products before they can import or sell the same in Nigeria

All manufacturers are required to obtain registration of their products before they can import or sell the same in Nigeria and under the NAFDAC Guidelines for the Registration of Imported Products, foreign manufacturers are required to register their products only through an entity incorporated in Nigeria or a person resident in Nigeria, in whose name the registration is issued. This is to ensure that a local party will always be available to be held responsible if a product is to be recalled or otherwise sanctioned. The local representative may be the local subsidiary of the foreign manufacturer, or a third party representative, such as a local distributor or authorised licensee.

Some of the current requirements for product registration at NAFDAC are:

- Power of attorney granted to a Nigerian representative or an agreement between the manufacturer and the Nigerian representative empowering the same to register the product(s) in Nigeria;
- Certificate of manufacture and free sale;
- Comprehensive certificate of analysis;
- Certificate of incorporation of the Nigerian representative with the Corporate Affairs Commission;

- Certificate of registration/renewal (or notice of acceptance, where applicable) of the brand name/trade mark;
- Factory inspection letter;
- Import permit application letter;
- Samples of the product and product labels; and
- Notarized declaration by the Nigerian representative.

In the past, severing ties with the local representative was a huge issue for the foreign manufacturer. This was because although the local representative obtained NAFDAC registration on behalf of the foreign manufacturer, the registration certificate was issued in the name, and was also only transferable at the instance, of the local representative. NAFDAC would neither compel the local representative to transfer the certificate of registration nor cancel the same upon receiving a request from the foreign manufacturer, unless the local representative gave its consent thereto. This then put the local representative in a position to hold the foreign manufacturer to ransom.

However, there has been a noticeable change in NAFDAC's attitude regarding the relationship between foreign manufacturers and their local representatives. This is in tandem with government's renewed policy to encourage foreign investment and participation in the Nigerian economy and partly due to the realisation that a lot of local representatives have taken undue advantage of NAFDAC's reluctance to act.

Consequently, NAFDAC generally now simply requires evidence of receipt by the local representative of a notice of the revocation of its appointment, before cancelling the registration or granting a transfer of same. As long as the foreign manufacturer provides NAFDAC with proof that the agreement between the parties was terminated in accordance with the terms thereof and the requisite documents prescribed by NAFDAC are submitted with the application for de-registration, NAFDAC will transfer the certificate of registration to a new local representative indicated by the foreign manufacturer. Where a foreign manufacturer is experiencing challenges with obtaining the local representative's acknowledgement of receipt of the notification of revocation, delivery of the notification could be effected through registered post or courier service.

Where the transfer is approved, NAFDAC will revoke the prior registration certificate in the name of the previous local representative and issue a new registration certificate to the new local representative for a fresh period of 5 years, commencing from the date of the transfer.

Chinasa Uwanna
Senior Associate
Banwo & Ighodalo

INTERNATIONAL TREATIES

THE
**BEIJING
TREATY**

ON AUDIOVISUAL PERFORMANCES
AND ITS IMPLEMENTATION IN NIGERIA





The Beijing Treaty on Audiovisual Performances is a multilateral treaty which provides for the protection of the copyrights for audiovisual performances and expands the rights of singers, dancers, actors and other performers in the audiovisual industry. Nigeria, in an ongoing reform of its copyright system, is currently taking steps towards the domestication of the provisions of the Beijing Treaty.

Background of the Treaty

The Treaty was adopted in June 2012 by the Diplomatic Conference on the Protection of Audiovisual Performances of the World Intellectual Property Organisation (“WIPO”), in which 156 WIPO member states, 6 intergovernmental and 6 non-governmental organisations participated. The Treaty came into force on 28 April 2020 following the receipt of its 30th ratification and has now been signed by 74 countries. The Treaty upgrades the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (1961) and complements the WIPO Performances and Phonograms Treaty (WPPT), which updated protection for performers and

The Treaty upgrades the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations and complements the WIPO Performances and Phonograms Treaty, which updated protection for performers and

producers of phonograms.

Economic and moral rights protected under the Treaty

Under the Beijing Treaty, performers are accorded four kinds of economic rights for their performances fixed in audiovisual fixations, namely the right of reproduction; the right of distribution; the right of rental; and the right of making available. For unfixed (live) performances, the Treaty grants performers three economic rights including: the right of broadcasting (except in the case of rebroadcasting), the right of communication to the public (except where the performance is a broadcast performance) and the right of fixation.

In addition to the economic rights, the Treaty provides that performers shall enjoy certain moral rights, which include the right to claim to be identified as the performer (except where such an omission would be dictated by the manner of the use of the performance), and the right to object to any distortion, mutilation or other modification that would be prejudicial to the performer's reputation, taking into account the nature of the audiovisual fixations.

The Beijing Treaty also provides that the term of protection for such works must be at least 50 years from the end of the year in which the performance was fixed, and that the enjoyment of the economic and moral rights provided for, cannot be subject to any formality. Furthermore, the Beijing Treaty obliges contracting parties to ensure that enforcement procedures are available under its laws in order to have adequate remedies for performers where there is an infringement of rights provided for in the Treaty.

Criticisms

The Treaty has been criticized for giving performers a monopoly on deciding the means in which their audiovisual performances may be used by third parties. What this connotes is that the Treaty would make it illegal for a performer's work from a music video, TV series or film to be used in a skit, mash-up, commentary or cover. Performers may now be able to ask websites to take down posts they do not like thus infringing on free speech and limiting the fair use and similar reuse rights of others. Ultimately, this may mean an end to parody videos, skits, dance challenges and the likes.

Possible effect of the Treaty in Nigeria
The Nigerian creative industry is ranked as one of the largest in the world. However, as a result of the increased use of technology for unauthorised distribution of audiovisual works and the challenges with the protection of intellectual property rights, creatives are unable to receive adequate revenue and rewards for their work. The domestication of the Beijing Treaty is expected to ensure greater returns and provide new protections for performers by preventing the unauthorised use of their works.

The efforts currently being made by the Nigerian Government to domesticate the Beijing Treaty are commendable. However, it is essential to take cognisance of Article 20 of the Treaty which provides that "Contracting Parties shall ensure that enforcement procedures are available under their law so as to permit effective action against any act of infringement of rights covered by this Treaty including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements."

It remains arguable that while Nigeria may have well-articulated laws, it has very weak mechanisms in place to enforce them. As such, it is important to address the numerous issues that undermine the effective enforcement of laws in Nigeria in order to ensure that the Beijing Treaty provides the desired results.

Kofoworola Oyegunle
Associate

Rachael Ehima
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Adamu Shafiu Yauri

EXCLUSIVE INTERVIEW WITH THE REGISTRAR OF TRADEMARKS

Please give a brief introduction of yourself and professional life.

I was born in Yelwa-Yauri, Kebbi State, from the family of Adamu Dan-Alkali (both my father and grandfather were Shariah Court Judges). I hold a Bachelor of Laws Degree (LL.B) from the University of Sokoto, B.L from the Nigeria Law School (Lagos) and LL.M in IP (Turin). I recently defended a Ph.D thesis from the University of Jos. I joined the Federal Civil Service and was posted to the Federal Ministry of Industry, Trade & Investment (then Commerce) in December 1993. I am currently the Registrar of Trademarks, and at various times was the Head of Section Search/Acceptance and Opposition, TISC/Academy Units, in the Trademarks, Registry.

Under your leadership, the Trademarks Registry has witnessed some important reforms. What would you say are your biggest challenges at the Trademarks Registry at this time?

Within the first 6 months of my assumption of office, we were able to clear backlogs in all the key areas of our operations - from search, acceptance, refusals to oppositions, issuance of certificates and records. This enabled us to set targets and clearly define our goals which is that of turning the Registry into a professional, efficient and responsive organisation that delivers on its mandate, in a timeous and efficient manner. The greatest challenge was getting the staff to buy into our vision for a new Registry. Next to this was the lack of sufficient working materials and the challenge of

poor electricity supply and internet access, and most importantly getting a budget that meets our needs.

Briefly state your thoughts on IP development in Nigeria, particularly as it relates to industrial property protection.

Industrial property is the backbone or cornerstone of any modern economy. When we are dealing with IP, we are dealing with knowledge - Patents, Trademarks, and Designs etc. For any country to prosper and develop, it is important for knowledge to be embedded and ingrained within its national development policy and strategy objectives. IP must therefore be allowed to play its most vital and important role- that of a driver to the economy. I have for long been advocating for a national IP policy and strategy for the nation.

We need to imbibe and put the knowledge of IP within each of our vital economic sectors. In other words we need to put science & technology into agriculture, food, medicine, trade, investments etc. The biggest challenge before all of us as IP experts, specialists or administrators is- how do we integrate IP into national development policy? Also, to prosper, we have to put knowledge into all the various sectors of the economy.

During the previous administration, separate, distinct and often contradictory trademark bills were considered in both chambers of the National Assembly. Have any efforts been made to consolidate and pass a comprehensive bill on trademarks in Nigeria?

This is a big challenge. We have so many contending forces and interests. The best way to go however is to put national interest first. Let us come together as a united front to get the Bill passed. Whether it is IPCOM or IPCON it is for the good people of the Federal Republic of Nigeria. In the previous administration, we did have one or two attempts at this but I do not have information as to how successful those efforts were.

Is there any hope of creating an independent commission for the regulation of trademarks in Nigeria in the near future?

In a developing economy such as ours, trademarks are the driving force behind the economy, and of all types of IP assets, it is the most popular and that which attracts all aspects of the other types of IP Rights. Whether it is patents (trademarks is relevant if you look at its quality functions), designs (in its dress function) or copyrights (in its advertisement function) ... you name it. Annual revenue generation for trademarks alone is over N600m annually. So I will not be surprised if (very soon) the government's attention gravitates towards an independent trademarks commission for Nigeria.

From a regional perspective, the WIPO annual report on the innovation performance of global economies shows that Africa shines in terms of innovation relative to development. However IP filings in Africa remain low. What are your thoughts on the reasons for this trend?

We need to up our game in the field of IP by raising awareness and integrating it into national development objectives. IP must be made to serve as a driver of the economy - like an engine to a car, if a car

does not have an engine it will certainly not move. You can repaint, refurbish or redecorate the car, but without an engine, you only have an empty shell. So let us have government taking the lead in sensitizing the general public on the role and importance of IP. This way IP will stimulate R&D, attract investments, create jobs and fight poverty. This is what IP does to any national economy - it is the engine that gives rise to growth and development. Dr. Kamil Idris, a former Director General of WIPO speaking about the potentials of IP for the Nigerian economy, stated "...it is far more important than the famed Nigeria's oil wealth".

All that is needed is for us to cultivate and tap this rich resource base. Governments in Africa need to therefore pay closer attention to the subject of IP.

Would an extension of international trademark protection under the Madrid Protocol to Nigeria and other territories in Africa help in increasing IP filings and protection?

There is no doubt that joining international agreements or protocols has its advantages and disadvantages depending on which angle you come from. I am for dialogue and therefore support constructive discussions and deep study of the Madrid system or any such agreement before Nigeria joins. WIPO will be organizing a sensitization seminar on the Madrid Protocol and GI's in 2020 in Nigeria, you are cordially invited to that forum.

Given the prevailing economic situation of the country, what are your thoughts on the steps required

to address the deficit of value addition and propel the Nigerian ecosystem into one that runs on creativity and industry?

We need to imbibe and put knowledge of IP within each structure of our national economy. The first action is to identify the national objectives and the development goals (which we have done already). The next step is to undertake a national IP audit. In order to find out the following:- What is the state of play? What is the state of IP in the country? What is the level of awareness? What are the laws or legal framework that need to be reviewed or amended? What human resource capacity exists in the country to complement IP strategy and what physical, human or financial resources are required? What is the institutional framework? Do you need to collapse or strengthen them? Do you have enough people to run the offices? Or train people etc. It is only after these questions have been answered can you draft a national IP policy.

Are there any collaborative efforts among the regulatory agencies and the private sector to establish an institutional framework that will drive the growth of intellectual property, encourage creativity and innovation in Nigeria?

It is just beginning to germinate...we hope it grows.

Could you please shed some light on the recent partnership/cooperation agreement with the China IP Administration and the impact on the administration of industrial property rights in Nigeria?

China is a developing economy with a huge industrial and technological base.

With the spirit of South-South cooperation, Nigeria has a lot to learn from China. My visit was from that perspective, to interact with the China IP system and administration and draw inspiration and capacity building support in some vital key areas for Nigeria. It was at the instance of the Chinese government.

What steps are being taken to mitigate the challenges experienced by the Trademarks Registry?

We are building on the success achieved so far. We are counting on the leadership and the management of the Ministry of Industry, Trade and Investment for support. Our vision is to turn the Registry into a professional, efficient and responsive organization that delivers on its mandate. We are working with the authorities for enhanced budgetary allocation and the retention of some percentage of our revenue earnings to be ploughed back into the system.

Is the private sector expected to play any role? If yes, what can the private sector do?

As the primary stakeholders they must be at the front seat in the agitation for enhanced administration, service delivery, and ease of doing business and allocation of more revenue to the Registry in order to enhance its operations.

The Trademarks Registry issued about 15 Trademarks Journals between 2018 and 2019, which is a marked increase from previous years. Is this expected to continue in 2020? Is there a calendar being followed for the issuance of journals?

Yes, two Journals have been issued already in 2020. I had earlier stated that this is with a view to clear all backlogs, and to get the Trademarks Registry going again.

Now that the frequency of the issuance of Trademarks Journals seems to be on the increase, what is the Registry's plan for a more efficient issuance of certificates of registration?

It will be sustained. We are fast tracking the digitization and automation of the Trademarks Registry.

What do you seek to achieve at the Trademarks Registry in 2020?

After clearing the backlog (search/acceptance, publications, journals and compendium of rulings by the registry) next is training, retraining and capacity building, drafting of practice directions, some new regulations and we will push the Bill for the amendment of the Trademarks Act.

Trademark opposition in Nigeria



The A to Z of filing oppositions against applications for registration of trademarks under Nigerian law.

Two months after the publication of a trademark application, any person can file a notice of opposition against an offending trademark at the Trademarks Registry. The notice of opposition should be in writing stating the grounds of opposition. After compiling the notices of opposition filed, the officers at the Registry are expected to arrange for the service of the notices on the Applicant(s). It seems that there is no timeline to serve the notice on the applicant; this has over the years posed a serious challenge.

Grounds

- The trademark is confusingly similar to another's trademark/company name.

- The use of the trademark would be contrary to law/morality.
- The trademark is identical with, or imitates the armorial bearings, flags or official sign of any State or the Federal Government of Nigeria or of any organisation created by an International Convention.

Counter-statement

The Applicants file their responses as counter-statements within one month of receipt of the notice of opposition. This timeline is non-extendable as the opposed application is deemed abandoned at the instance of the opponent, if the applicant fails and/or neglects to file any response within the timeline. In *Beecham Group Plc v. General Nutrition Ltd.*, the

Respondent filed its counter-statement out of time, after obtaining an extension of time. The Court held that, “since the respondent did not file their counter-statement within the mandatory period of one month, their Application ... ought to have been regarded as abandoned as provided under Section 20(3) of the Trademarks Act”.

Statutory Declaration

Upon receipt of the Applicant's counter-statement, the opponent is expected to file a statutory declaration within one month, failure of which the opposition would be deemed as abandoned. In *Nabisco Inc. v. Allied Biscuits Co. Ltd.*, the court held that, “where an opponent failed to file a statutory declaration as provided in Regulations 51 and 52, he is deemed to have abandoned his opposition unless the Registrar otherwise directs”. Unlike the notice of opposition and counterstatement, the parties are expected to serve the statutory declaration on the other party.

The Tribunal may grant a thirty-day extension of time one time in an opposition except for persuasive reason. Parties should record any change in particulars such as assignment, change of name or address etc. at the Registry. Where the Applicant has wound up, unknown or with incomplete address,

the Registrar issues notice of abandonment at the request of the Opponent. The Registrar is usually reluctant to abandon a trademark on this ground wherein the Opponent is made to suffer unduly for another's untidiness/negligence. When a party satisfies the provision of the Act the Tribunal is to issue the notice of abandonment without more.

Hearing/Ruling

At the close of evidence, parties file written addresses, and adopt same before the Tribunal who will then deliver its Ruling either in favour of the Opponent, directing that the application should be refused or in favour of the Applicant upholding the application and striking out the notice of opposition. The Act does not provide a timeline for a Ruling to be delivered, as such, it is usually delayed unduly because of backlog. The decision of the Registrar is subject to appeal at the Federal High Court.

Uche Nwokocha
Partner

Regina Onwumere
Associate

Aluko & Oyebode

Chain of title & the practical use of rights

It is the contracts between the filmmaker and the owners of these works that make up the chain of title.

Chain of title is the very common term used primarily in the United States of America and Europe to describe the bundle of contracts that trace and confirm the filmmaker's ownership of a film. In these countries where a verbal declaration of ownership and or possession of the master copy is simply not sufficient or acceptable as proof of this fact, the chain of title contracts verify that the filmmaker owns the film. So what are the contracts that trace and confirm the filmmaker's ownership of a film? To know what the contracts showing title in a film are, one has to understand the basic elements of a film which are:

- Ø The literary work: an existing book like the film 'Half of a Yellow Sun' based on a book by Nigeria's Chimamanda Adichie, or an original screenplay written by a screenwriter;
- Ø The musical composition which comprises music and lyrics;
- Ø The sound recordings which are musical works that have been recorded;
- Ø The artistic works i.e. photographs, sculptures and paintings that may be featured in the film; and
- Ø The performance of the actors.

Each of these elements, including the completed film, constitute works protected by the copyright law of the country in which the film was made. In Nigeria, that law is the Copyright Act,

Cap. C28, Laws of the Federation of Nigeria, 2004. Under the Act, unless there is an agreement to the contrary, the creator or author of each of the works is the owner of copyright in the first instance and he/she controls certain exclusive rights therein. The exclusive rights are reproduction, distribution and public performance rights. These rights are required by any filmmaker before he can incorporate these works in his or her film. If the filmmaker does not obtain a formal written assignment or license of these exclusive rights from the creators or owners the works used in his film, then he or she cannot be said to have good title in the film. The fact that money may have changed hands is not proof of ownership. It is the contracts between the filmmaker and the owners of these works that make up the chain of title.

Most if not all films are made for the purpose of being shown to the public and this is where distribution comes in. Distribution on all available platforms worldwide allows the filmmaker recover expenses and maybe make a profit. In jurisdictions where chain of title is critical, a film will not get distribution if the filmmaker does not have his chain of title. In such jurisdictions, it is the chain of title that enables the distributor obtain the errors and omission insurance to defray any claims brought against the filmmaker and distributor.

Chain of title has begun to become critical in Nigeria. With the growth of cinemas in the country and the contribution of a cinematic release to the filmmaker's revenue, a growing number of producers now wish to have their films screened in the available cinemas. This has also helped to limit the effect of piracy. For a film to be screened in, Nigerian cinema the



producer must have his/her chain of title. With the advent of streaming platforms like Netflix, another avenue for generating revenue from the films has been created. Such platforms will not acquire a film in which the chain of title is not in place. The threat of litigation is another key reason for ensuring that chain of title is in order. Successful films and television series are often the target of litigation emanating from claims of copyright infringement. One need only recall this headline: *Omoni Oboli accused of theft in copyright infringement lawsuit, court issues injunction* - in 2017. The Nigerian premier and theatrical release of the film Okafor's Law was disrupted by an injunction granted in a copyright infringement litigation brought by the writer of the screenplay. Although, the injunction was subsequently vacated and the film was released, one can only imagine the colossal sums of money that would have been lost as well as damage to reputation and goodwill if the film could not be released.

In conclusion, chain of title helps to prove ownership, increase funding options, expand the territories and platforms for distribution and invariably contributes to a vibrant ecosystem. In today's digitally enabled world, chain of title has never been more important.

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THE KASEA TRADEMARK INFRINGEMENT CASE



Uche Bishop Enterprises Company Limited & 5 ors V Patrick Nwagu (carrying on business under the name and style of Vinelight Global Link & 2 ors.) Judgement given on 22 November 2018.

Although Section 5 of the Trademarks Act gives exclusive right to the registered owner, the said exclusive right to the use of that trade mark in relation to goods is subject to Section 7

Patrick Nwagu (Vinelight Global Link) and Uche Bishop Enterprises are both importers of motorcycles and spares parts from Guangzhou Haojin Motorcycle Co. Ltd, a Chinese company and manufacturers of the KASEA brand of motorcycles and spare parts like Haojin, Stallion, Qingqi and so on.

Vinelight Global Link registered the trademark, KASEA in class 12 in Nigeria without the consent of Guangzhou Haojin Motor cycle Co. Ltd. Subsequently, Uche Bishop Enterprises Company Limited and 5 ors applied for the registration of “HERO KASEA”, “SUPERIOR KASEA” AND “ROYAL KASEA”. Hence Vinelight Global Link instituted an action of infringement against them.

In 2016, Guangzhou Haojin Motorcycle Co. Ltd filed an application for the registration of the trademark, but its

application was refused on the grounds that it was in conflict with the KASEA trademark registered by Vinelight. It is important to note that Guangzhou Haojin Motorcycle Co. Ltd was not a party in Uncle Bishop's suit.

At the trial at the Federal High court, the plaintiff/1st respondent, Vinelight, sought an injunction restraining Uche Bishop from infringing, misrepresenting and passing-off the KASEA trademark. The Plaintiff also requested for a delivery up on oath of all offensive products, as well as general damages for infringement or passing-off of the plaintiffs registered mark.

During the trial, Vinelight admitted that the company was not a manufacturer but an importer of KASEA products. However, the company refused to reveal the source of the products. The defendant/appellant's, Uche Bishop also admitted to being importers of KASEA products, but revealed the source of its

KASEA products to be Guangzhou Haojin Motorcycle. Uncle Bishop filed evidence of the SONCAP and Product Certificate issued after its conformity assessment by Guangzhou Haojin Motorcycle with the brand name KASEA and KS Model numbers.

The trial court ruled in favour of the plaintiffs. The trial judge held that the registration of the trademark KASEA by the plaintiff entitled him to the protection of its trademark and the use of same to the exclusion of the appellants in line with Section 5(1) of the Trademarks Act of Nigeria (referred to as the Act). The court awarded damages of about USD60,000.

Appeal

The defendant/appellant appealed the decision at the Court of Appeal. Two issues were raised- (1) whether the 1st Respondent had successfully proved that it was entitled to the use of KASEA trademark to the exclusion of the appellants which entitles him to the reliefs sought; and (2) if the learned trial judge ought to have awarded damages to the 1st Respondent.

The appellate court ruled in favour of the appellant holding that the 1st respondent had failed to prove that it was entitled to the use of the KASEA trademark to the exclusion of the appellant, particularly as there was no proof that it invented the KASEA trademark.

The appellate court placed great weight on Sections 7 of the Act, stating that although Section 5 of the Act gives exclusive right to the registered owner, the exclusive right to the use of that trade mark in relation to those goods is subject to Section 7. The section provides that a proprietor will not be allowed to interfere with the registration of a trademark by any person that has continuously used the

trademark from a date prior to the registration date of the proprietor's trademark in relation to those goods of the proprietor. The court cited the case of Virgin Enterprises Ltd. v. Richday Beverages where it was held that the exception can be raised as a proper defence.

Also, the appeal court opined that both parties to the suit are not the true owners of the KASEA trademark as envisaged by section 18 of the Act which requires true inventors/proprietors of a mark to register the trademark with the intention of using it. The true owner was identified as Guangzhou Haojin Motorcycle, the manufacturers of KASEA products.

Further, the appeal court stated that the registration of KASEA by the 1st respondent and 1st appellant was invalid as Guangzhou Haojin Motorcycle did not authorize the parties to register the KASEA trademark.

This judgement may have altered 'the first to register rule' in Nigeria. As it clearly protects brand owners from scrupulous business partners despite being "second in law" to register.

This is indeed good news for brand owners as the opinion of the judge confirms that in some cases, unregistered trademarks can be protected by statute regardless of the provisions of section 3 of the Act which states in part, that the infringement of unregistered trademarks can only be protected by an action in passing off.

Finally, it is now established that the source of a trademark may determine the validity and ownership of the trademark in Nigeria despite the first to register rule.

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Taxing Intellectual Property in Nigeria *The Faciendum*

When the day does come, it is hoped that a functional tax model which fits the peculiarities in Nigeria will be adopted

There are arguments that direct IP tax is unnecessary since Nigeria already indirectly taxes IP through the board of corporate tax burdens on IP reliant businesses

A tax is a mandatory financial charge imposed upon an individual or other legal entity by the government to fund various public expenditures. On the other hand, Intellectual Property (IP), according to the World Intellectual Property Organisation (WIPO) refers to creations of the mind such as inventions; literary and artistic works; designs and symbols; names and images used in commerce. IP is divided into Copyright, Trademarks, Patents, Industrial Designs, Trade Secrets and Domain Names.

In the US alone, IP-intensive industries represent more than a third of the Gross Domestic Product. The immense value of IP has led to increasing clamour for the taxation of IP. Accordingly, many nations, including the US, China, France, UK, etc. have developed elaborate IP taxation regimes. Only a few African Countries – South Africa, Zambia, and Kenya, tax IP. Nigeria currently has no IP tax regime. Should Nigeria choose to undertake a reform to introduce IP tax into its tax regime, there are various IP tax models that could be adopted. These include:

1. **Taxation on Creation of IP:** To effectuate this, revenue generated from IP intensive businesses who create and utilize their IP will be taxed after reasonable deductions. This model should ordinarily apply to registerable IP (Patent, Trademarks and Designs).
2. **Taxation of Commercial Gain on IP:** This tax is only payable on commercial IP transactions like licensing, merchandising, franchising, etc. This model will be easier to employ in Nigeria since it would demand little structural and administrative efforts but would only require a valuation of IP transactions and consequent percentage taxing.
3. **Taxation of Corporate Ownership of IP:** IP owners who utilize IP for their business would be taxed for their ownership and utilization of IP. Under this model, IP owned by corporations are valued and subjected to tax at a percentage payable annually. The major problem with this model is a dearth of a proper IP valuation process.
4. **Direct Taxation on Profit Gains on IP:** Under this model, tax will be payable on profits attributable to IP. Valuation of the income from which tax is to be deducted is not made on the entire IP, but rather on the profits on the IP, after removing deductibles like the cost of creation and improvement of the IP.



5. **Taxation of IP Transfer:**
Alternatively, Nigeria could adopt the model for taxing the transfer/alienation of IP rights. In Africa, Zambia recently adopted this model fashioned after that of South Africa and Kenya. This model is easier to implement but may not fully exploit the revenue potentials of IP. It also remains to be seen if this system would provide as much utility in an IP market like that of Nigeria where IP creation is the order of the day, and IP transfer or alienation does not occur as frequently.

There are arguments that direct IP tax is unnecessary since Nigeria already indirectly taxes IP through the hoard of corporate tax burdens on IP reliant businesses. It is likely that Nigeria will adopt an IP tax scheme sooner than later in tune with global practices. When that day does come, it is hoped that a functional tax model which fits the peculiarities in Nigeria will be adopted.

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