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## Position Paper

### Reforming the Intellectual Property Law and Administration in Nigeria: The Industrial Property Commission Bill, 2016 in Focus

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#### **Introduction**

The idea of an Industrial Property Commission has been around in Nigeria for many years now. The crux of the idea is a consolidation of the various aspects of intellectual property that relates directly to industrial application (such as trademarks, patents, and industrial designs) and place them under a single administrative regime. Notably left out in this proposal is copyrights administration as it is not considered an industrial property. The Industrial Property Commission Bill also featured but was not passed in the 8<sup>th</sup> National Assembly and has now been reintroduced into the 9<sup>th</sup> Assembly.

The Bill seeks to establish the Industrial Property Commission of Nigeria (Section 1) to “supervise the administration of the law relating to intellectual property and ensure the rapid and coordinated development of intellectual property in Nigeria”; among other related goals as contained in Section 4 of the Bill. The Bill proposes a Governing Board for the Commission, which would be predominantly constituted by representatives of various MDAs (Section 3). The Bill also proposes a Registrar-General who shall be the Chief Executive and Accounting Officer of the Commission (Section 9). The Bill proposes five departments for the Commission, made up of three Registries (Patents and Designs, Trademarks, and Plant Varieties and Animal Breeds Rights) each of which is to be headed by a Registrar supported by Deputy and Assist Registrars. The other two departments are Administration and Finance; and Research, Planning and Statistics (Section 13). The three Registries have the mandate of implementing the different Parts of the Bill as their names imply.

The scope of the Industrial Property Bill includes patents and industrial designs (including layout and circuit designs), trademarks (including service marks, collective marks, certification marks and geographic indication), and plant varieties and animal breeders’ rights (including the rights of farmers thereto). Section 22 of the Bill proposes the establishment of an Industrial Property Appeal Board “which shall be charged with the duty of considering and determining any case referred to it by any party aggrieved as a result of the Competent Authority’s refusal to grant it a compulsory license and any other case it has cognisance under the Act”.



The Bill proposes several changes to the extant laws regulating intellectual property in Nigeria (Trade Marks Act, and Patents and Designs Act) as well as the introduction of a new law relating to Plant Varieties and Animal Breeder and Farmer Rights.

Some of the reforms to the trademarks regime proposed under the Bill include:

- the express recognition of service marks hence a trademark could be registered in relation to goods or services (section 29). This contrasts with the extant law that only makes express provision for registration of trade marks in relation to goods.<sup>ii</sup>
- The Bill seeks to introduce the institution of civil proceedings for infringement of trademarks at the Industrial Property Appeal Board (Section 33). This can only be done at the Federal High Court under the extant laws.
- Introduction of the power of the court to make interim order, upon an *ex parte* application, for inspection and seizure of goods bearing the infringed trademarks or the infringed trademarks itself to be used on goods or in respect of services (section 34).
- Section 44 introduces the registration of geographic indication, which are indications used to identify a good as originating from “a country or region or locality in that country where a given quality, reputation or other characteristic of the good is attributable to its geographical origin”. Geographic indication is particularly relevant for identifying traditional crafts, agricultural produces, etc.
- Section 98 proposes a new regime for the protection of trademarks from imported counterfeits. Owners of a trademark may give notice to the Customs stating that they own the mark and requesting the Customs to treat any importation of such goods as prohibited goods for a period of five years, but not longer than the period for which the trademark subsists. The Bill proposes confiscation as the penalty for the importation of counterfeits.

With respect to patents and designs, some of the reforms include:

- The addition of computer programmes to the list of patentable inventions – if it is of a scientific or mathematical nature and does not contravene the provisions of the Bill (S.105(1)(c)).
- Modification of the scope of non-patentable inventions to include in the list diagnostic, therapeutic and surgical methods for the treatment of humans or animals. It now also includes inventions, the publication or exploitation of which are contrary to ... the protection of human, animal or plant life and health or which are likely to be seriously prejudicial to the environment (S.105(4))
- Section 113(1) provides for the protection of proprietary information (undisclosed test or data, origination of which involves considerable effort) submitted in the course of the application for patent, from unfair commercial use.
- Section 119 introduces the protection of lay-out designs (in integration circuits)
- S.133 provided that any international treaty relating to industrial properties to which Nigeria is a party shall apply to matters dealt with by this Act. This seems to create a blanket application of international treaties on IP (existing and future) to which Nigeria is a party, without a further need for express enactment into national laws.
- S.137 provides for the grant of utility model certificates for inventions that qualify as utility model according to the Bill
- S.143 retains the provisions relating to Industrial Designs in the extant Act



- S.164 makes it an offence to falsify the Register while section 165 makes it an offence to make false claims in respect of the patent status of a product.
- Plant varieties and animal breeders' rights: An entirely new provision has been introduced to the IP regime in Nigeria to cover the registration and protection of plant variety and animal breeder rights (Part D: Sections 171-187).

### **Key issues**

There are some concerns and grey areas in the Bill that would require correction or further consideration:

- As a general note, the Bill is inelegantly drafted, resulting in absence of consistency in the provisions. For example, there is inconsistent use of the expression “goods and services” to indicate that the provisions of the Bill relating to trademarks are supposed to apply to both. While it is admitted that some provisions are only suitable for goods, it seems the use of “services” was dropped soon after it was introduced at the early part of the Bill, for example, in describing the rights given by registration under Section 31, all the reference was to “goods” and never to “services”, hence creating the wrong impression that the rights do not extend to marks registered in respect of “services”.
- The same issue applies to the use of “intellectual property” in stating the functions of the Commission under Section 4. It is clear that the Bill does not cover all aspects of intellectual property as it has notably omitted copyrights. This has informed the use of the expression “industrial property” in describing the Bill. It is, therefore, important to maintain this usage throughout the Bill as any use of the expression “intellectual property” to define the scope of the Bill and the mandate of the Commission raises the question as to the status of the Nigerian Copyrights Commission.
- This inelegant drafting stretches to the interpretation section where most of the key words were omitted. For example, “lay-out design” is not interpreted in the Bill; neither is the expression “industrial property”.
- In the institutional set-up of the Industrial Property Commission of Nigeria, the Governing Board is dominated by public sector employees representing various MDAs. It is submitted that a Commission of this nature should have a Board made up of predominantly reputable professionals as Executive and Non-executive members in the manner of the Boards of SEC, NERC and NCC.
- Another institutional issue that shows inconsistency in the Bill is the powers of the Industrial Property Appeal Board. It is not clear what the scope of the jurisdiction of the Appeal Board is. In Section 22, the jurisdiction of the Appeal Board is stated as “considering and determining any case referred to it by any party aggrieved as a result of the Competent Authority’s refusal to grant it a compulsory license and any other case it has cognisance under the Act”. Again, “Competent Authority” is not defined in the Bill. The next place the Appeal Board is mentioned is in Section 33 where it is granted the power to entertain civil proceedings for trademarks violations. The rest part of the Bill referred to the “court”. It is not clear where the jurisdiction of the Appeal Board begins and ends and where that of the court begins. For example, Under Section 29, any person who is not satisfied with the determination of the Registrar-General as to the class within which any goods or services fall may apply to the court



for a review. Same applies in the case of refusal or conditional acceptance of an application by the Registrar-General, an appeal shall lie to the court<sup>iii</sup>. It would be expected that a hierarchy of review would be spelt out to show the flow from the decisions of the head of the various Registries, to that of the Registrar-General and the Appeal Board. More importantly, what appeals go to the Appeal Board and which bypass the Appeal Board and go straight to the court?

- Section 46(5) is drafted in such a way as to suggest that it is the Registrar General rather than the court that should make the order referred to therein. It should read, “...the court shall hear the applicant and the Registrar-General and shall make an order...”. Similarly, Section 54(1) should read “...connection with the goodwill of (not or) of a business...”
- Section 98 addresses the issues of counterfeiting and then attempts to address the issue of parallel import but leaves the statement hanging<sup>iv</sup>. Furthermore, the Section only provided for the confiscating of the offending import without stating whether the goods would be auctioned by the Customs or whether the trademarks owners would receive custody of the goods.
- Still on Section 98, the Bill has provided that the Customs and its officials cannot be held liable for failing to intercept and confiscate the offending goods, provided that where the trademark owner has suffered a loss as a result of such failure, and has paid some fees/charges to the Customs as part of the notification, an amount of money equal to the loss suffered or the fees paid to Customs (whichever is less) would be paid to the trademark owner (subsection 4). Similarly, no penalty applies to the importer of the offending goods beyond the confiscation of the goods (subsection 8).
- Finally on Section 98. Subsection (5) grants the Minister of Interior the power to make regulations to guide the implementation of the section with respect to the form of notice to be given to the customs, the evidence to support the claim of trademarks ownership and other conditions incidental to the application of the section. It is noted that the Customs is not under the control of the Minister of Interior but the Ministry of Finance, hence the appropriate authority to issue notices in this regard in the later. This is more so since subsection (9) states that the Section will operate as if it forms part of the Customs and Excise Management Act.
- The exception to Section 113 dealing with protection of proprietary information (undisclosed test or data, origination of which involves considerable effort) is not clear. Subsection (2) has two exceptions: paragraph (a) relates to where disclosure is necessary to protect the public; paragraph (b) exception is where “necessary steps are taken to ensure that data is protected against unfair commercial use”. The question that arises is: who does this apply to? Does it apply where the Commission has taken the necessary precaution and the data still got disclosed and was used unfairly by a competitor? This seems the only reading that would justify the exception.
- Sections 118 seeks to provide for the procedure for compulsory licensing but has only stated that it would be in accordance with First and Second Schedule to the Bill. Unfortunately, there are no such Schedules attached to the Bill, thereby leaving a gaping hole on what is arguably the most important aspect of patents law in Nigeria. The need for a regime for compulsory licensing that is consistent with Nigeria’s external obligation, especially under WTO-TRIPS is long overdue. This is particularly



important for the pharmaceutical industry for their use in producing generic versions of life saving drugs and vaccines. It also applies to the adaptation and application of certain machines and other inventions that may be required for the accelerated development of the country.

- On plant varieties and animal breeders' rights: presently, there is no intellectual property protection afforded to the developers of new plant varieties or animal breeds besides the laws/regulations merely covering the registration and release of plant varieties under the auspices of the agencies of the Ministry of Agriculture. In fact, the Patents and Designs Act of 1970 expressly renders plant varieties and animal breed unpatentable in Nigeria. The WTO TRIPS Agreement requires Nigeria to protect plant varieties and animal breeds through patents or a *sui generis* system. It is also important that this Bill has also made provision for the recognition of farmers rights over varieties or breed with specific attributes identified by a farmer or community without going through the stringent requirement as applicable in other cases of registration (Section 173 (2)). Several stakeholders ranging from international NGOs to government officials have been actively involved in trying to develop a system of IP protection for plant varieties and animal breeds over the past few years.

There are other Bills in the National Assembly proposing to repeal and re-enact or amend the extant IP laws in Nigeria. Unfortunately, these ones are not accessible now so we could not review them<sup>v</sup>.

### **Recommendations**

It is recommended that a reform of the IP regime in Nigeria should follow the orientation of the Industrial Property Commission Bill in consolidating the laws and bringing them under one administrative agency. This would ensure uniform development and consistent application of the various aspect of IP law in Nigeria. What remains arguable, however, is whether copyrights administration should be included under this arrangement. If that option is taken – as proposed in another Bill several years ago – then the name of the Bill and the Commission would change to Intellectual Property Commission Bill and Intellectual Property Commission of Nigeria, respectively.

There is need for consensus on these issues. This would involve engagement with the proponents of the various Bill before the National Assembly as well as the relevant MDAs and private sector stakeholders with the view to adopting a common position on these issues.

It would be useful to work with existing expert networks like the Intellectual Property Law Association of Nigeria, the National Assembly Business Environment Roundtable (NASSBER), NBA-Section on Business law, etc to fine tune the Bills and subject them to wider consultation. The application of IP rights cuts across the various value chains and an efficient IPR regime would be useful in unlocking opportunities from agro processing to leather and garments production.



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<sup>i</sup> Underlining supplied. The Bill still uses the wider term 'intellectual property'. It is suggested that the Bill should still to the term 'industrial property' in line with the overall orientation of the Bill, which is the excise copyrights from the other intellectual property rights.

<sup>ii</sup> Not consistently applied throughout the body of the Bill

<sup>iii</sup> See also Section 49: Appeal from Registrar-General's decision on opposed application.

<sup>iv</sup> S.98(3): "Where notice has been given under this section in respect of any goods and has not been withdrawn, the importation into Nigeria at a time before the end of the period specified in the notice, of the goods to which the section applies shall, subject to the provisions of this Act, be prohibited; provided that where the goods to which the trademark relates have been lawfully placed in the market in any country by or with the consent of the proprietor, a licensee or any other authorised person." The clause does not say what happens in this scenario. Does it absorb the importer of liability? Reduced liability?

<sup>v</sup> Patent and Designs Bill; Copyrights Bill; Trademarks Bill; Plant Variety Protection Bill