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'Rights': Patent Infringement Issues in Nigeria

Thought Leadership by:

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> "Patentable inventions are the creation of a new thing or an improvement on the old process which satisfies all the requirements of novelty and industrial application"

An invention is not the same thing as a discovery. Indeed when Volts discovered the effect of an electric current from the battery on a frog's leg, he made a great discovery, but not a patentable invention. The question may be asked whether principles and discoveries of a scientific nature are inventions. The answer is in the negative. ***Section 1(5) Patents and Designs Act (PDA)***[1] specifically excludes such discoveries or findings from been qualified as an invention under the Act as they are not inventions.

This distinction was also analysed by the English Court in the UK case of ***Reynolds v. Herbert Smith & Co. Ltd*** (***Buckley J***), thus: *"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 process, or a new combination for producing an old product or an old result.*[2]

Patentable inventions therefore are the creation of a new thing or an improvement on the old process which satisfies all the requirements of novelty and industrial application.[3]

Patents are the exclusive time bound rights given to an inventor by the government where such inventor has successfully done something more than a

1 *Cap. P2, Laws of the Federation of Nigeria (LFN) 2004.*
2 *[1913] 20 RPC 123.*
3 *Agbonrofo v. Grain Haulage & Transport Limited (1998) FHCL 236.*

discovery or thought that produces or make possible the production of either a new and useful thing or result.

An invention may only be patentable where they satisfy the requirements for registration under the ***PDA*** which are that, such invention: ***(i)*** must be new, it should results from an inventive activity and is capable of industrial application; and ***(ii)*** it constitutes an improvement upon a patented invention. [4]

An illustration from the United States (US) District Court in ***Data Engine Technologies LLC v. Google LCC,*** [5] will drive home these points. In February 2018, US District Judge Richard Andrews ruled in favour of the Defendant (Google Inc.), in a suit alleging infringement of patents originally assigned to the inventors of Apple Inc.'s voice assistant technology, *Siri*. The Court held *inter alia* that three of the issues raised by the Plaintiff were covered by a patent not eligible for registration and did not add an inventive concept/activity.[6] In other words, the infringement of patent claim by the plaintiff would not have met the requirements of the ***US Patent Act*** which protects true inventor.

Patentability: The Race Against Time

In Nigeria, a patent is not necessarily vested in the true inventor, rather such right is vested in the '*statutory inventor*',[7] that is, the person who, whether or not he is the true inventor, is the first to file an application for the grant of the patent. Since the grant is to the first person to apply and not to true or actual inventor, difficulties may arise where separate persons come up with identical inventions at the same time. Thus the race to the patent office ensues, as the earliest in time will enjoy the entitlement.

An inventor who is beaten to the race would therefore have concerns about potential liability for claims of infringement by the statutory inventor. In ***Uwemedimo & ComandClem Nigeria Ltd v. Mobil Producing (Nig) Unlimited,***[8] the Court of Appeal (CA), held that the Appellant having applied for the patent resulting in the Patent Certificate No. being issued, he became the registered patentee in the invention, *Anti-Corrosive Special Paint*. Consequently, the right to the patent in the invention resided in the statutory inventors.

One of the goals of the patent registration system is to encourage innovation and invention. This is by securing for the inventor, the exclusive right for a fixed period usually twenty years, to commercially exploit his invention and restrict all other third parties from imitating, making, improvising or otherwise exploiting the invention without the inventor's approval/consent. Patents creates monopoly rights for the holder and incentivizes research, thereby playing a developmental role in the society as far as innovation, technology and industrialization is concerned.

Patent Infringement

There is now an increasing need for investors, specifically those in the technological or manufacturing sector, to be more cautious about the patentability of their investment. Infringement of patents arises from deliberately or inadvertently performing any of the acts which are exclusively reserved by law for the patent holder. The risk of inadvertent infringement is increased by the possibility that

4 ***Section 1(1) PDA.***
5 ***[2018] 9 Cr App LPS 1115.***
6 Patrick James, ***'WiLAN Alleges Google Infringement on Apple Siri Patents'***, *IP Strategy News*, 01.06.2018: http://ipstrategynews.com/2018/02/28/wilan-sues-google-over-siri-patent-infringement-claims/(accessed 10.05.2019).
7 ***Section 2(1) PDA.***
8 ***[2011] 4 NWLR (Pt. 1236), 80 CA.*** The matter is currently pending before the Supreme Court in ***Suit No.SC/69/2011.***

separate persons can produce identical inventions at the same time without each other's knowledge.

This may occur due to the fact that inventions and innovations are often responses to deficiencies in a particular industry or sector of the economy, and these responses may be created from the same idea. The patent system secures economic benefits for inventors by providing monopoly rights by which time, money and effort expended in research and development may be rewarded. This may be vitiated where any person infringes on this monopoly right either deliberately (direct infringement) or unknowingly (indirect infringement).[9]

It is deliberate when the infringer without the consent of the patent holder makes, imports or sell products or applies the subject matter of the patent in other to create products for commercial purposes.[10] Ignorance is imputed when the infringer 'negligently' imitates the patentee's product either because such patent is not prominent commercially or made known to the public.

It must be stated that such separation does not operate as a defence to an infringer. In the US decision of ***SEB S.A. v. Montgomery Ward & Co., Inc.***[11] the Federal Circuit Court in the District of Delaware held that ignorance of a patent is not a shield for patent infringement as the court will still hold that an infringement has been made over such products.

Products v. Process?

The bulk of patents are only concerned with products manufactured or processes of manufacturing. ***Section 6(2) PDA*** provides: *"In particular under the Nigeria jurisprudence of intellectual proprietary right a patent can only be said to have been infringed by a person only if his acts relate to commercial or industrial activities..."*

Thus for an action in patent infringement to be successful, the patent right must cover the right that was granted to the patent holder, that is either that of a product or process or both. The result of this is that if the right in a patent is just for a product, the right holder only has a monopoly over that product and cannot claim infringement of his process if another person applies his processes to get a different product.

In ***Arewa Textiles Plc & Ors v Finetex Limited,***[12] the CA, per *Salami JCA* held that *"there is a basic distinction between a product claim and a process claim."* Registering or protecting just the finished product alone will not suffice. Where a person or entity has a mechanised process of achieving a product, there is need to protect both the process and the product.

Defences To Patent Infringement: When Can A Party Be Excused?

Will the law excuse an *innocent 'infringer'* for the use, making or imitation of the inventor's patent? *The answer is in the negative* as judicial precedent states that even in ignorance, a liability is owed for the breach of the monopoly of one's patent.[13]

However there are other defences that can be raised in claims for infringement. In ***Uwemedimo (supra),*** the

9 Audrey A. Millemann, ***'No Inducing Patent Infringement Unless There is Direct Infringement'***, *The IP Law Blog, 15.08.2014*:https://www.theiplawblog.com/2014/08/articles/patent-law/no-inducing-patent-infringement-unless-there-is-direct-infringement/ (accessed 13.05.2019).

10 ***Section 25(1) PDA.***

11 ***2010 09 .LA. 1099 United States Central Federal Circuit Court.***

12 ***[2003] 7 NWLR (Pt.819), 322 at 351.***

13 See ***Data Engine Technologies LLC v. Google LCC (supra, footnote 5).***

Appellant sued the Respondent at the Federal High Court (FHC) claiming an injunction to restrain the Respondent whether acting by its directors, officers, servants or agents from infringing Letters Patent No. RP 13522 of 5th August, 1999. The Appellant also claimed, the sum of $2.00 or the equivalent in Naira as royalty per barrel of crude oil, condensate, liquefied natural gas and gas produced daily by the respondent from 5th august to 4th august, 2001. The FHC found in favour of the Respondent and dismissed the suit. Dissatisfied with the trial decision, the Appellant appealed to the CA.

The CA in allowing the appeal dismissed the claims of the Appellant and held *inter alia* that *"since the patent had not been registered, the Plaintiffs could not sue and by the time they registered the patent, the action had become statute-barred".*[14] In other words, an alleged infringer can raise the defence of non-registration of patent in a bid to escape liability of infringement. [15]

An alleged infringer can approach the FHC seeking a declaration that the invention does not infringe the patent because the acts complained of do not amount to an infringement of patent in law. Such approach would be pursuant to section ***251(1)(f) 1999 Constitution*** that vests exclusive jurisdiction on patent matters in the FHC.[16]

There could also be the defence that the patent allegedly infringed is itself invalid and ought not to have been granted in the first place. This could be because the invention is not patentable in Nigeria, or the patent has already been granted in Nigeria for the same invention to an earlier fresh applicant or earlier foreign-priority applicant. Ultimately, the court would have to determine whether the patent passes the test of validity under ***sections 1*** and ***3(2) PDA***. [17]

In ***Mode Nigeria Applications Limited v Visocom Limited & Ors,***[18] the major issue was whether the said invention was patentable in Nigeria, considering that the subject technology already formed part of the state of the art - already known to the public as a technology or invention. The FHC dismissed the application of the Plaintiff and held in favour of the Defendant on the ground that the said invention is unpatentable, owing to its failure to meet the requirements of the ***PDA***.

A party who can demonstrate that the acts done are for experimental or non-commercial purposes may escape liability in an action for infringement. Also, that the description of the invention allegedly infringed does not meet the requirement of clarity and completeness set out under ***section 3(2) PDA*** is, another defence for patent infringement.

The statutory authority for challenging the validity of any grant of patent by a patent holder has been clearly stated in ***section 9(1) PDA***. Thus, the FHC could declare any patent as null and void if: (a) the subject of the patent is not patentable; (b) the description of the invention or claim does not conform with the provisions of the ***PDA***; or (c) the same invention has been patented in Nigeria as the result of a prior application or an application benefiting from an earlier foreign priority. [19]

Where any of the above assertions have been successfully established against any patent holder, such patent is *automatically invalid and therefore cannot be said to have been infringed upon*. Thus, the Nigeria patent system is called the deposit system of patenting - the fact that one has been issued

14 Uwemedimo (supra), 101 B-G.
15 Section 3(1) PDA.
16 For historic context, see Amavo Limited v. Bendel Textile Mills Limited [1991] 8 NWLR (Pt.207), 50 where the CA held that section 7 of the Federal High Court Act No. 13 of 1973 confers exclusive jurisdiction on the FHC on matters relating to patents and designs; furthermore, section 8(1) excludes State High Courts from entertaining such matters.
17 Section 1(1) PDA provides the following tests for an invention to qualify as patentable: (a) if it is new, results from inventive activity and is capable of industrial application; (b) if it constitutes an improvement upon a patented invention; (c) must be capable of being made or used in some kind of industry and not be a scientific or mathematical discovery, theory or method, a literary, dramatic, musical or artistic work.
18 Unreported Suit No: FHC/L/CP/273/2016, decided on 21.06.2017.
19 That is, where a patent has been granted in respect of the same invention in another jurisdiction outside the country and this application was done prior to the application in Nigeria.

with a patent certificate does not mean that the patent is valid. This is different from the *'examination system'* adopted in the industrialized countries, such as the United States, countries of the EU, and Japan. In such jurisdictions, rigorous examination as to compliance with the requirements for patentability is undertaken, when there is an allegation of infringement. [20]

Conclusion

It is important to note that patents secures economic rights and should constitute a significant consideration for prospective investors in inventions. A prospective investor ought therefore to be cautious so he does not lose the investment in a product or process due to the effect of a prior registered patent, and/or suffer punitive damages imposed by the court for infringement.

In ***Puma Inc. v. Forever21 Inc.,***[21] the Plaintiff alleged infringement of the Fenty X Rihanna design, a brand created by Puma in collaboration with the pop star, Rihanna. The Federal Court Los

Angeles, California (LA) held that Puma has not proved its case to show the damage done by Forever 21's products. The Court further held that there is no evidence disclosing that consumers' perception of its brand has been weakened or that Puma has experienced a decline in its reputation on account of Forever 21's infringing product. In order to show harm to its brand, Puma must do more than simply submit a declaration insisting that its brand image and prestige have, or will be, harmed. [22]

Adequate due diligence is therefore advisable before embarking on an inventive process to ensure that the invention is not only patentable, also investors need to be sure that same has been adequately protected by the grant of a patent over the product, process, or application. This would also ensure that the patent holder is appropriately protected from potential infringers, having secured the right to restrict the acts of other persons from infringing the patent.

Lastly, it is advisable that before any potential inventor/applicant seeks to invest in an invention or technology, proper scrutiny must be done to avoid been denied the accrued right/benefit of the proposed invention by the patent office because of prior registration of the said patent or the fact that the invention did not meet the requirements of the Act to qualify as a patentable invention as discussed above. The following recommended steps, to the securing of a grant of patent is enumerated in the footnote below. [23]

20 The fact that one has been issued with a patent certificate in Nigeria does not mean that the patent is valid. The validity is open to challenge in court; and if challenged, the primary onus of proving validity rests on the patentee: ***section 9 PDA***.

21 ***2017 17 L.A 02523 United State Central District Court California.***

22 Similarly, there was another issue of patent infringement against Forever 21 by Adidas and Diane von Furstenberg, both claiming against the infringement of their product by the Forever 21 company. See Sam Reed, ***'Adidas Sues Forever 21 Over Its Three Stripe Design Signature'***, *The Hollywood Reporter 19.07.2017*: https://www.hollywoodreporter.com/news/adidas-suing-forever-21-stripes-again-1022487(accessed 01.07. 2019).

23 To make a patent application in Nigeria, the first step is to ensure the invention has not already been patented, by conducting a search. If the result of the search is positive, then the application is made to the *Patent & Designs Registry, Commercial Law Department, Federal Ministry of Trade And Investment, and Abuja.* The following are the applicable procedural requirements for patent applications in Nigeria: (1) Pay the filing fees online and application forms submitted through the registry's online portal (once professional engaged by the client is an accredited agent); (2)Prepare and submit a signed Form 2 (Power of Attorney), authorizing the lawyer to submit the patent application on applicant's behalf; (3)Submit supporting documentation, such as: the Patent Form 3 - containing the abstract, description of the invention, specification of claims and drawings; (4) Submit application to the Registry for their review; and (5) Then keep checking for application status See Ufuoma Akpotaire, ***'How To File A Patent Application In Nigeria'***, *Nigeria Law Intellectual Property Watch 30.05.2018*: https://nlipw.com/how-to-file-a-patent-application-in-nigeria (accessed 01.07.2019).

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