ISSN 1747-1532 (PRINT) ISSN 1747-1540 (ONLINE)

# VOLUME 17 NUMBER 6 JUNE 2022



# Journal of Intellectual Property Law Practice https://academic.oup.com/jiplp

Round-up of European enforcement case law 2021 Round-up of China trade mark law and practice in 2021 Round-up of IP decisions and legislative reforms in Africa 2021 Round-up of English patent litigation 2021 The nature, patentability and value of patents for computer-implemented business method inventions in the UK and Canada Consequences of the CJEU's *Bayer v Richter* decision



# Roundup of intellectual property decisions and legislative reforms in Africa in 2021

# Chijioke Okorie, Ekene Chuks-Okeke, Marius Schneider and Nora Ho Tu Nam\*

# Introduction

In 2021, national courts in individual African countries issued several important judgments in the fields of copyright, trade marks and patents. Apart from the judgments, there were also developments in legislative and administrative reforms in the various intellectual property areas. Part A of this article provides a roundup of the judgments issued in the period 1 January–31 December 2021. Part B provides a summary of developments in legislative and administrative reforms in intellectual property across Africa as at 31 December 2021.

The analysis in Part A is organised by country and structured as follows:

- I. Copyright
  - Kenya: Ownership of copyright work created in the course of directorship of a company; copyright infringement of lyrics by translation of the infringed work; implications of the difference between commissioning software development and software licensing.
  - Nigeria: Role and position of featured artists in terms of copyright ownership; special damages for copyright infringement must be pleaded and proven; factors to establish a claim for Image rights protection in Nigeria.
  - South Africa: Copyright statutory amendment through judicial process; copyright infringement of a computer programme; threshold for establishing originality; scope of responsibility of parties to a licence agreement to identify, prevent and stop piracy of licensed content.
- II. Trade marks
  - Kenya: Link between trade mark laws and laws on anti-counterfeiting; bona fides use of individual's name or name of place of business as a trade mark.

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- Nigeria: Use of a generic name in product packaging.
- South Africa: Goodwill, reputation and failure to renew trade mark registration.
- III. Patents
  - South Africa: Compelling a South African patentee to provide search reports issued in another country in respect of patent applications relating to the subject matter of the South African patent; nature of the notional person skilled in the art of an alleged invention and who may answer the question of inventiveness.

Each selected decision is presented according to the following order: Case reference; summary; analysis; practical and broader significance.

#### **PART A – Court decisions**

#### I. Copyright

#### Kenya

Ownership of copyright work created in the course of directorship of a company Donald Muhonda Andolo v Pinnacle Developers Limited & 3 others, Civil Case Number 18 of 2017, High Court of Kenya, Kajiado, 9 April 2021, Mwita, J

# Summary

This decision involved the question of copyright infringement of architectural drawings prepared by the director of a company during his term as such director. The plaintiff and the 2<sup>nd</sup> defendant were the shareholders and directors of a company that was commissioned to produce architectural drawings and plans for a project. The plaintiff, an architect, produced architectural drawings and plans which were approved and registered by the county government. Before the project could be completed, the plaintiff and the 2<sup>nd</sup> defendant had a disagreement which resulted in the 1<sup>st</sup> and 2<sup>nd</sup> defendants having to engage the services of the 3<sup>rd</sup> and 4<sup>th</sup> Defendants to complete the project. The 3<sup>rd</sup> defendant reproduced the architectural plans that had been drawn by the plaintiff because their registration had expired and applied for renewal of the architectural plans. The Plaintiff, aggrieved with the use of his architectural drawings without his consent instituted proceedings against the all defendants for infringing his copyright in the architectural drawings.

# Analysis

The court acknowledged that the plaintiff was the copyright owner of the architectural drawings. However, it held that the architectural drawings were commissioned works since the plaintiff made them during his time as director in the company, there being no separate agreement between the plaintiff as an architect and the company regarding remuneration. Being a commissioned work, there was no copyright infringement since the architectural drawings were used for the project they were intended and were produced and renewed only for that purpose.

# Practical and broader significance

This case underscores the scope of use for commissioned works in Kenya and confirms that the use of commissioned works must be confined to the stated purpose of the commission.

Copyright infringement of lyrics by translation of the infringed work

*Rebecca Wanjiku v Christ is the Answer Ministries (Citam) & another,* Civil Case Number 066 of 2020, High Court of Kenya, Milimani Law Courts, 9 April 2021, Ngenye-Macharia, J

# Summary

In this case, the plaintiff - the author and owner of copyright in the song titled "Rungu Rwa higa" applied to the court for inter alia an injunction restraining the respondents from further infringement of her copyright.

# Analysis

The case of the plaintiff was that the defendants infringed on the lyrics of her song, "Rungu Rwa higa". To show that they had a prima facie case regarding the infringement, the plaintiff provided evidence of a translated transcript of the audio of their song titled "Rungu Rwa lhiga" and a translated transcript of the video of the alleged infringing song by the defendant titled "Athuri Mwihithe" as well as a certificate of translation. In granting the order of injunction sought, the court compared the translated transcripts side by side and concluded that there were substantial similarities in both such that a prima facie case has been made out that the defendants' song copied and reproduced the plaintiff's work.

# Practical and broader significance

Copyright infringement in music may involve the lyrics of the song and the infringement may be by exercising the exclusive right of adaptation through translation without authorisation from the copyright owner. On the face of it and in such instances, the infringement may not be apparent without translating the works in dispute and comparing both.

Implications of the difference between commissioning software development and software licensing

*Iko Solutions Limited v Mobile Decisioning Africa Limited*, Case No. 47 of 2020, High Court of Kenya at Nairobi, Milimani Law Courts, 15 January 2021, Majanja, J

#### Summary

This was a decision involving an interlocutory application for injunction restraining further use and application of the software developed by the plaintiff pending the determination of the substantive suit for alleged copyright infringement and breach of contract. The plaintiff was engaged by the defendant to develop a software that would be deployed as a verification and reconciliation tool for its (the defendant) customers. When the relationship between the parties soured, the defendant disconnected the plaintiff from access to the servers and related equipment that previously enabled the plaintiff to use and maintain the software for the defendant.

#### Analysis

The court disagreed with the defendant's contention that since the injunctive reliefs sought would apply to some of its servers outside Kenya, the court did not have jurisdiction to grant the injunctions to be executed in those countries. In the court's view, it had jurisdiction over the substance of the suit and both parties are incorporated in Kenya. In awarding damages for copyright infringement, the court relied on the fact that even though the parties prepared but did not execute a formal agreement for the development and deployment of the software, the conduct of the parties and the exchange of email correspondence between them revealed that the defendant was licensing product developed and owned by the plaintiff.

# Practical and broader significance

This case underscores the importance of commissioning the development of software where a company intends to own and use such software in running their business. Also, courts can evince

the contractual intent and obligations of parties in respect of intellectual property rights transfer from draft contracts and email correspondence.

# Nigeria

Role and position of featured artists in terms of copyright ownership Raji Mutiu Okiki (Okiki Bright) v. Emerging Markets Telecommunications Services Limited and 3 Others, Suit No. FHC/L/CS/1776/2017, Federal High Court of Nigeria, Lagos Judicial Division, 9 July 2021, Oweibo, J.

# Summary

The plaintiff, a music artist instituted an action for copyright infringement against the defendants for making his work available to their customers as a caller ringback tune. The 1<sup>st</sup> - 3<sup>rd</sup> Defendants were telecommunications network operators while the 4<sup>th</sup> Defendant was a value-added service provider who licensed the song to the other defendants, claiming that it was authorised to do so by a featured artist on the work. The plaintiff sought declaratory reliefs, damages and an account of profit. The 1<sup>st</sup> and 3<sup>rd</sup> defendants respectively counterclaimed against the 4<sup>th</sup> defendant claiming that the 4<sup>th</sup> defendant ought to indemnify them against any damages the court may make against them on account of the plaintiff's suit.

# Analysis

The Court granted the reliefs sought by the plaintiff and the 1<sup>st</sup> and 3<sup>rd</sup> defendants in their respective counterclaims. In holding that the defendants' actions infringed on the plaintiff's copyright in the work, the court considered that: while copyright can be owned by more than one person, and any co-owner of copyright is entitled to exercise ownership rights, a featured artist in the absence of a clear agreement to the contrary is not be considered a co-owner of copyright in the work in which they are featured. Accordingly, the purported licence from the featured artist in this case was invalid and the work was used without authorisation.

# Practical and broader significance

The decision in this case underscores the role and position of featured artists in terms of copyright ownership. However, it appears that the court misrepresented the nature of the work in question and conflated authorship and ownership of copyright. The work in question was a sound recording of a musical work and the author of such work by virtue of section 51(1) of the

Nigerian Copyright Act, is the "artist in whose name the recording was made, unless in either case the parties to the making of the sound recording, provide otherwise by contract". The court however arrived at the appropriate conclusion in rejecting the submission that the featured artist was a co-owner in this case.

Special damages for copyright infringement must be pleaded and proven Zain Nigeria V. TV Xtra Productions Ltd & National University Commission, Suit No. CA/A/CV/564/2020, Court of Appeal of Nigeria, Abuja Judicial Division, 19 March 2021, Adah, Ugo, and Mustapha, JJCA

# Summary

This was an appeal against the decision of the High Court which had found Zain Nigeria and the National University Commission liable for copyright infringement of TV Xtra's television format and had awarded special damages in the sum of N500,000,000 (approximately \$1.1million).<sup>1</sup>

# Analysis

TV Xtra had submitted a proposal to National University Commission to endorse "University Challenge" (the "UC Show"), its concept for an educational television quiz programme involving Nigerian university students as contestants. However, the NUC did not endorse the programme. Rather, they approved a similar show "Zain Africa Challenge" (the "ZAC Show") which was sponsored by Zain Nigeria, a telecommunications company. The ZAC Show had previously aired in South Africa as well as some countries in East Africa. TV Xtra claimed that the ZAC Show was an infringement of its intellectual property in the UC Show, and relied on its registration of the proposal document for the UC Show ("UC Show Proposal") with the Nigerian Copyright Commission ("NCC") as evidence of its exclusive copyright ownership in Nigeria. The High Court's decision granting the reliefs sought by TV Xtra was overturned on appeal.

In allowing the appeal, the Court of Appeal reiterated the correct legal position that registration is not a requirement for copyright protection in Nigeria and that where copyright eligibility is challenged by an alleged infringer, the burden is on the plaintiff to establish in terms

<sup>&</sup>lt;sup>1</sup>This was discussed in our 2020 roundup. See Chijioke Okorie, Caroline Wanjiru Muchiri, Ekene Chuks-Okeke, Marius Schneider, Nora Ho Tu Nam, Sibongile Dee, Vanessa Ferguson, Africa intellectual property decisions and legislative reforms round-up 2020, (2021) *16*(6) *Journal of Intellectual Property Law & Practice*, p.586. (hereafter, "Okorie et al 2021")

of Section 1(2) of the Nigerian Copyright Act 2004 (as amended) that they expended sufficient skill and effort as to make the work original.

The Court of Appeal further held that even though damages are at large in copyright infringement claims, a plaintiff must provide proof for special damages and also where declaratory reliefs are sought.

# Practical and broader significance

The amount of damages to be awarded for copyright infringement is not fixed. However, where particular damages are claimed or where a plaintiff claims a declaration that the defendant's actions infringed on their copyright, then the damages must be proven. Further, registration is not a requirement for copyright protection in Nigeria. Proof of registration can help prove the timeline of creation of a particular work, but infringement can only be established by examining the specific facts and details of both the alleged infringed and infringing works.

# Factors to establish a claim for Image rights protection in Nigeria

# *Oluwadamilola Banire v. NTA-Star TV Network Limited*, Appeal Number CA/A/345/2017, Court of Appeal of Nigeria, Abuja Judicial Division, 3 February 2021, Ige, Nimpar and Idris, JJCA Summary

Photographs of the Plaintiff/Appellant, Banire were taken at a photo shoot organised by Orisun TV, an entity owned by Virtual Media Network ("VMN"). VMN subsequently licensed the photographs to the Defendant, NTA-Star TV Network who used same on their billboard advertisements. On instituting a claim at the High Court for infringement of her image rights and intellectual property rights, the High Court held that by consenting to her photographs being taken by VMN, VMN owned the copyright in Banire's photographs, and they had the right to license it to NTA-Star. Banire appealed against the decision of the High Court.

# Analysis

In dismissing the appeal and holding that the claims under image rights and passing off do not apply in the circumstances of the case, the Court of Appeal assessed three main aspects and concluded as follows:

• The appropriate defendant in a copyright infringement matter involving photographs would be either the person directly involved with/in the taking of the photograph or both that person and their licensee. By failing to join the person directly involved with/in the

taking of the photograph (i.e. VMN), the appellant could not succeed in her claim of copyright infringement.

- The author of a photograph as an artistic work is the person who took the photograph and in the present case, VMN owned copyright in the photograph as it took the photograph.
- Passing off can apply to images and photographs and to succeed in such action, a plaintiff
  must establish that their image has acquired sufficient goodwill such as quantifiable
  goodwill which can be leveraged on in consideration for money; that the third party has
  misrepresented to the public by using the image and that this misrepresentation caused
  or is capable of causing damages such as reduction in the value attached to their
  goodwill.

# Practical and broader significance

The decision is significant in that it confirms that the protection of image rights exists in Nigeria and there is now judicial precedent on factors to establish in a claim for image rights protection in Nigeria. However, the decision raises the question of the dichotomy between authorship and ownership in copyright law in Nigeria. In this regard, section 51(1) of the Nigerian Copyright Act 2004 (as amended) defines an author in the case of a photograph as "the person who took the photograph." In holding that VMN, a company was the author of the photograph, the court appears to have conflated authorship and ownership.

See below Morison Industries Plc v. CPL Industries Ltd, at Part II (Nigeria).

# South Africa

Copyright statutory amendment through judicial process

Blind SA v Ministry of Trade, Industry and Competition and 4 Others (Case no. 14996/21) [2021] ZAGPPHC 871, High Court of South Africa, Gauteng Division, Pretoria, 7 December 2021, Mbogwe, J

# Summary

The applicant brought an application for declaratory reliefs regarding the portion of South Africa's Copyright Amendment Bill that proposes exceptions and limitations in terms of the Marrakesh Treaty to Facilitate Access to published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled ("Marrakesh Treaty"). The applicant contended that South Africa's Copyright Act 1978 as amended is unconstitutional to the extent that it discriminates against persons with visual and print disabilities by not permitting them to freely convert copyright-protected works to alternative formats suitable for the visually and print disabled persons. The declaratory reliefs sought requested the court to declare the Copyright Act 98 of 1978 inconsistent with the Constitution of the Republic of South Africa, 1996 to the extent that it limits persons with visual and print disabilities form accessing copyright-protected works in the relevant formats and to the extent that it does not include provisions designed to ensure that such persons are able to access works in the manner envisaged by the Marrakesh Treaty thereby unduly limiting the rights of such persons to equality, dignity, freedom of expression, basic and further education, and to participate in the cultural life of their choice. Other declaratory reliefs involved the suspension of the operation of the declaration of unconstitutionality to afford Parliament the opportunity to remedy the defect in the Copyright Act and for the 2<sup>nd</sup> respondent to deposit instrument of accession to the Marrakesh Treaty with the World Intellectual Property Organisation and, pending such parliamentary action and confirmation from the Constitutional Court, to deem the Copyright Act to read as though it already contains the amendment proposed in the Copyright Amendment Bill in favour of persons with disability.

#### Analysis

The court granted the reliefs sought by the applicant. In doing so, the court considered that:

- Amici curiae were helpful to assist the court in making an informed decision in a matter of such magnitude. The court therefore granted three amici curiae admission to participate in the proceedings despite objections from the 1<sup>st</sup> respondent's representative. The court noted that unless otherwise directed by a court, an amicus chooses the side it wishes to join in the proceedings. The court also noted that authors of copyright-protected works were conspicuously absent in the matter.
- There is value in the argument that international conventions such as the Convention on the Rights of Persons with Disabilities and the International Covenant on Economic, Social

and Cultural Rights are standards that a developing country such as South Africa should strive for in its Copyright Act.

• A similar approach should be adopted in respect of the limitation of access to the corona virus vaccines given the global devastation caused by the spread of the virus.

#### Practical and broader significance

The decision reaffirms the connection between copyright law on the one hand and the fundamental human rights such as is provided in South Africa's Bill of Rights in its Constitution on the other hand. The courts in South Africa will not protect the pecuniary interests in copyright to the detriment of the human rights. In protecting and securing human rights over copyright, copyright is seen as the largest and primary sources of information to which persons with disability should have access.

Further, the application leading to this decision is a novel use of constitutional provisions to bring about copyright reform. This is because, subject to confirmation from South Africa's Constitutional Court, the decision will lead to the relevant amendment still at the parliamentary level and/or the provisions of an international treaty (i.e. the Marrakesh Treaty) to be read into the existing Copyright Act 1978.

# Copyright infringement of a computer programme

*The Taskflow (Pty) Ltd v Aluxium (Pty) Ltd and 2 Others* (Case no. 2021/41676) [2021] ZAGPPHC 604, High Court of South Africa, Gauteng Division, Pretoria, 21 September 2021, van der Westhuizen, J

#### Summary

The applicant applied to court for injunctive reliefs for alleged copyright infringement of its source code, unlawful competition and breach of fiduciary duties. This analysis deals only with the claim relating to copyright infringement as the court also took the view that the other claims were hinged thereon.

According to the applicant, the 2<sup>nd</sup> and 3<sup>rd</sup> respondents were former shareholders and directors of the applicant and had established the 1<sup>st</sup> respondent company with the knowledge

of the applicant while still part of the applicant company. The relationship between the 2<sup>nd</sup> and 3<sup>rd</sup> respondents and the other directors of the applicant soured in 2020 resulting in the former being dismissed from the applicant. Upon their dismissal, the 2<sup>nd</sup> and 3<sup>rd</sup> respondents started doing business through the 1st respondent, which is a competitor of the applicant.

#### Analysis

The court held that the applicant was not entitled to the injunction sought on the basis of copyright infringement. In ruling thus, the court considered that: originality was neither claimed nor established; there was neither claim nor proof that the work qualifies for copyright protection with reference to nationality, domicile or residence in South Africa of the alleged author or by reference to the alleged author's country of origin; contrary to the requirements to establish authorship of a computer programme in South Africa, there was neither claim nor proof that the employee of the applicant alleged to have written the source code did so under a contract of service; there was neither claim nor proof that the work is in fact a computer programme as defined under the South African Copyright Act 1978 as amended; and the applicant conceded that its alleged source code has no functionality on its own and requires other files to work contrary to the definition of "computer programme" under the Act that requires such work to direct the operation of a computer to bring about a result.

The court also held that the applicant failed to establish a sufficient degree of objective similarity between its alleged work and the allegedly infringing work because it needed to and failed to first establish the existence of a copyright work to be protected.

#### Practical and broader significance

The case reaffirms the principle that authorship of a copyright work is dependent on the nature of the work itself. In pointing out all that the applicant failed to establish to the detriment of its claim, the court essentially set out the requirements needed to succeed in an action for copyright infringement of a computer programme in South Africa.

# Threshold for establishing originality

Mokoena and Another v Minister of Tourism and 2 Others (Case no. 8931/2020) [2021] ZAGPJHC 635, High Court of South Africa, Gauteng Local Division, Johannesburg, 27 August 2021, Ternent, AJ

# Summary

The applicants instituted proceedings against the 1<sup>st</sup> and 2<sup>nd</sup> respondents for copyright infringement of their literary work titled "Tourism Safety Monitors and Tourist Ambassadors". The infringing act was alleged to be the respondents' action in using the ideas/proposals contained in the applicants' literary work to publish a tender request for proposals. This literary work was alleged to have been handed over to the respondents when the applicants were looking for funding to turn their neighbourhood watch program into a commercial venture.

# Analysis

In dismissing the applicants' claims, the court considered that even though the literary work alleged to have been infringed was submitted in evidence, it was an incomplete document missing several pages. The court held that the applicants needed to establish their copyright in the literary work as well as the respondents' infringing action. Regarding the requirement to establish copyright, the court reiterated that originality and fixation need to be proven as stated in the South African Copyright Act 1978 as amended. While the fixation requirement was held to be established on the basis of the document tendered in evidence, the court held that originality was not established as the complete work was not tendered in evidence for the court to ascertain whether the necessary degree of skill or judgment had been deployed in its creation. The court further held that the infringement was also not proven as the applicant failed to establish that there was either copying and/or adaptation on the part of the respondents. In this regard, the court considered that there was no evidence that there were substantial similarities between the incomplete work tendered in evidence and the allegedly infringing words published by the respondents.

# Practical and broader significance

This case reiterated that the threshold for originality in South Africa remains quite low. The requirement is that the works has not been copied and substantial degree of skill, judgment or

labour has been exercised in creating the work. Further, while the infringement question involves identifying the part of the work alleged to have been copied, the originality test is applied to the work in its entirety and must precede the infringement enquiry.

Scope of responsibility of parties to a licence agreement to identify, prevent and stop piracy of licensed content

*PCCW Vuclip (Singapore) Pte Ltd v E.TV (Pty) Ltd* (Case no. 37629/2021) [2021] ZAGPJHC 143, High Court of South Africa, Gauteng Local Division, Johannesburg, 24 August 2021, Wilson, AJ

#### Summary

This case involved an application for an interim injunction restraining the respondent from exercising broadcast rights over copyright-protected materials which it had licensed to the applicant on an exclusivity basis. The court was called upon to decide the extent to which the applicant as licensee is expected to take steps to secure the licensed copyright-protected materials from pirates/piracy.

The applicant and the respondent had entered into exclusive licence agreements where the respondent granted a licence to the applicant to broadcast the former's content on its videoon-demand platform. Subsequently, the applicant notified the respondent that the licensed content had been pirated by a third party and was now available for free on the pirate's website. After an unsuccessful attempt to get the applicant to ensure the takedown of the content from the pirate's website, the respondent purported to cancel the exclusive licence agreements on the grounds inter alia that the applicant breached an implied term of the agreements to protect the licensed content and prevent its unauthorised use. The respondent subsequently established its own video-on-demand streaming platform upon which it placed the content covered by the exclusive licence.

#### Analysis

The court considered that the respondent's argument was such that it intended the court to read an implied term into the parties' agreement requiring the applicant to take steps to secure their website from piracy or risk cancellation of the agreement. In the court's view, if it were to read such an implied term into the agreement, the applicant would not be entitled to the interim injunction sought as it would not have made out a prima facie right to be protected. The court however granted the interim injunction sought and further directed the respondent to remove from its platform, the content covered by the exclusive licence granted to the applicant. The court considered the following:

- It would defeat the public interest to impose a rule or legal policy that licensees in video on demand streaming licences, must secure their platform to a standard necessary to prevent piracy of the content placed on the platform or risk cancellation of the licence agreement. Such standard would be too high and contrary to constitutional provisions.
- Section 16 of the South African Constitution guarantees freedom of expression which includes inter alia, freedom to receive or impart information or ideas; freedom of artistic creativity; etc. Even though the content in question involves popular entertainment, imposing such standards as indicated by the respondent risks significantly curtailing the constitutionally protected freedom to exchange ideas which occurs when content is licensed over the internet.
- Also, imposing such standards unduly upsets the balance between the copyright owner's right to property and the public's right to freedom of expression and makes the copyright owner's right to protection of property absolute contrary to section 25 of the South African Constitution. The length to which the law would go to protect intellectual property and other property rights must be balanced against other social needs.
- Whatever the scope of the responsibility a licensor can expect from a licensee in securing licensed content from piracy has to be weighed against the above-mentioned constitutional and policy considerations.
- In directing that the respondent remove the content covered by the exclusive licence from its (respondent's) platform, the court considered the features of the respondent's platform and held that their implication was that they made it impossible for the applicant to exercise its exclusive licence rights.

# Practical and broader significance

This case underscores the scope of responsibility of parties to a licence agreement to identify, prevent and stop piracy of licensed content. While owners of protected materials are entitled to

expect the cooperation of platform owners in ensuring that their platforms are designed to deter pirates, such expectation should not extend to cancellation of licence agreements when there is piracy. The courts in applying and interpreting the law and enforcing contracts will take judicial notice of the fact that it is usually in the interest of both licensor and licensee that licensed content is not pirated. Further, the case provides additional interpretation of Section 16 of the South African Constitution viewing content concerned with popular entertainment as of similar value and worthy of protection under freedom of expression as scientific or political commentary.

The case is also significant in that it offers suggestions of contractual terms that may address a licensor's need to prevent piracy of its copyright-protected material. These include requiring a warranty that the licensee's systems will be fit to prevent piracy; requiring licensee to have a specific set of measures in place to secure its platform, along with a set of due diligence standards that require those measures to be reviewed and updated.

Finally, the case is also authority for the position that features of (video-on-demand) streaming platforms are relevant in the acquisition and practical application of licences.

#### II. Trade marks

#### Kenya

Link between trade mark laws and laws on anti-counterfeiting *PUMA SE v John Githenduka Macharia Mburu*, Civil Case no. E001 of 2021, High Court of Kenya at Nairobi, 20 May 2021, Kimaru, J

#### Summary

The plaintiff is the sole proprietor of the PUMA logo trade marks and allege that the defendant's action in importing, distributing, selling and/or manufacturing counterfeit PUMA branded goods constituted infringement of its trade mark. The defendant had faced criminal charges for possession of counterfeit goods in the course of trade but the charges were dismissed and no destruction order was issued. Accordingly, the plaintiff sought the injunction to restrain the

defendant from continued infringement because it was apprehensive that the defendant would continue the infringement in the absence of a destruction order.

#### Analysis

The court held that the plaintiff sufficiently established the requirements for the grant of the interim injunction and accordingly granted same. In particular, the court found that the defendant's actions were passing off its goods as those belonging to the plaintiff. The court took particular note of the findings of the trial court in the counterfeiting case where that court expressed its satisfaction that the goods seized from the defendant were counterfeit as far as it concerns the plaintiff's trade mark. The court further ordered the defendant to hand over the counterfeit goods to the plaintiff for destruction. The court did not make any ruling with respect to the cost of destruction of the counterfeit goods.

# Practical and broader significance

This case highlights the link between trade mark laws and laws on anti-counterfeiting. It also underscores the position that a dismissal of charges or an acquittal in counterfeiting cases would not automatically absolve an alleged infringer from liability for trade mark infringement.

Bona fides use of individual's name or name of place of business as a trade mark

Alpex Consulting Africa Limited and 2 Others v Associates Consulting Africa Limited and 5 Others, Commercial Case no. E065 of 2020, High Court of Kenya, Milimani Law Courts, 2 March 2021, Majanja, J

# Summary

The decision here was with respect to an application for interim injunction restraining the defendants from infringing on the plaintiffs' trade marks. The alleged infringing acts involved the defendants' use of the acronym ACAL which was part of the plaintiffs' registered trade mark as well as the use of logos that are so similar to the plaintiffs' trade marks as to be likely to cause confusion.

# Analysis

Being an application for injunction, the plaintiff needed to satisfy the court that it inter alia has a prima facie case with a probability of success. The court held that to establish a prima facie case,

the plaintiffs needed to demonstrate that the defendants infringed its trade marks. The court granted the injunction sought based on its finding that the plaintiffs satisfied the requirements for such injunction.

The court, in granting the injunction noted that the 1<sup>st</sup> defendant's logo showed the word 'ACAL' and had other resemblance with the 1<sup>st</sup> plaintiff's registered business so as to be likely to deceive or cause confusion. The court also found similarities between the plaintiffs' logo and class of services and those of the 3<sup>rd</sup> defendant. The court held that the defendants' defence of bona fide use of their own name or name of their place of business as provided for under section 11 of the Kenyan Trade Marks Act 1957 as amended could not avail them as they failed to establish that they were using the ACAL name in a bona fide manner. The court also noted that even though the plaintiffs' registered mark is in Class 36 covering insurance, financial affairs, monetary affairs and real estate and the 1<sup>st</sup> and 3<sup>rd</sup> defendants' deal in consultancy services and insurance, consultancy was a generic term and may encompass the kind of service covered by the plaintiffs.

#### Practical and broader significance

A defendant relying on the defence of bona fides use of its name or place of business as a trade mark is required to establish good faith with such use if it is to escape liability for trade mark infringement. Further, firms that engage in so-called consultancy services may be unable to sufficiently prove that they are in a different line of business as other appropriately stated businesses in trade mark infringement cases requiring a comparison of the products or services of both parties.

#### Nigeria

Use of a generic name in product packaging

Morison Industries Plc v. CPL Industries Ltd, Appeal Number CA/L/873/2008, Court of Appeal of Nigeria, Lagos Judicial Division, 29 January 2021, Ogakwu, Aliyu and Tobi, Justices of the Court of Appeal

Summary

This was an appeal brought by Morison Industries Plc ("Morison") against the decision of the High Court finding it liable for trade mark infringement of the trade mark owned by CPL Industries Limited ("CPL"). Both parties were manufacturers of Paracetamol painkillers. While Morison branded its medicine with the generic "PARACETAMOL", with reference to its registered trademarks "MSJ" and "MORISON" on the packaging, CPL branded its medicine with "CONPHAMOL", and obtained trade mark registration in respect of both the word, "CONPHAMOL" and the design of the product packaging.

CPL had sued Morison at the High Court for trademark infringement, passing-off and copyright infringement. But, while the High Court found Morison liable for trademark infringement as well as passing-off, the court held that CPL did not sufficiently prove copyright ownership as the designer of the device was not called to testify. Morison appealed against the decision at the Court of Appeal and CPL filed a cross-appeal, urging the Court of Appeal to find Morison liable for copyright infringement of the artwork in the product packaging.

#### Analysis

The Court of Appeal in upholding the decision of the trial court finding Morison liable for trade mark infringement and passing off considered that the mark in dispute between the parties was not "PARACETAMOL" and "CONPHANOL" since "PARACETAMOL" was a generic name and could not be used as a trade mark. Instead, the marks to be compared to determine infringement were the "salient features" of the entire marks registered by the Appellant and Respondent respectively. In other words, the entire features of the registered trade mark is to be considered. The Court of Appeal also applied the same reasoning to the passing off claim. The damages in the sum of N10million (approximately \$25,000) awarded to CPL on its trade mark infringement claim on the grounds that Morison failed to heed the former's cease-and-desist warning was also upheld.

Regarding the copyright infringement claim, the Court of Appeal reversed the decision of the High Court and held that CPL's witness (PW1) who is the Chairman and Chief Executive Officer of CPL showed sufficiently that he conceptualised and conceived of the design of CPL's trade mark logo and packaging before commissioning the production of his conceived design into a film. Accordingly, the Court of Appeal held that copyright ownership was sufficiently proven as well as the allegation of copyright infringement on the part of Morison. However, the Court of Appeal did not issue any ruling on CPL's claim for damages for copyright infringement.

#### Practical and broader significance

This decision affirms the position that generic names are not eligible for trade mark registration and/or protection. Further, to use a generic name as part of its product packaging, a firm or company must ensure that there are distinctive and distinguishing features in the manner in which the generic name is deployed. The decision also continues the trend of passing off claims succeeding once trade mark infringement has been proven. From this decision, parties who do not heed cease-and-desist warning run the risk of incurring higher award of general damages if found liable for trade mark infringement.

On the copyright front, it appears from the decision of the Court of Appeal in this case that whilst originality and fixation are requirements for a work to be eligible for copyright protection, the fulfilment of both criteria need not emanate from the same entity. Instead, it is the work that has to be looked at to establish originality and fixation though in doing so, there are identifiable persons responsible for ensuring both requirements. Furthermore, the decision reaffirms that logos registered as trade marks may also enjoy protection as artistic work under copyright law.

#### South Africa

Goodwill, reputation and failure to renew trade mark registration

Koni Multinational Brands (Pty) Ltd v Beiersdorf AG (Case no. 553/2019) [2021] ZASCA 24, Supreme Court of Appeal of South Africa, 19 March 2021, Cachalia, Makgoka and Schippers, JJA and Sutherland and Unterhalt, AJJA

#### Summary

The respondent is the manufacturer and distributor of NIVEA MEN personal care products and had obtained an interdict at the High Court against the appellant. The interdict restrained the appellant from selling a product, known as CONNIE MEN ACTIVE SHOWER GEL on grounds that the appellant was passing off its product as that of the respondent. The appeal was against this decision of the High Court.

#### Analysis

The court dismissed the appeal with costs and considered that even though the NIVEA MEN getup has changed over the years, there were aspects of the label applied to the NIVEA MEN shower gel that had remained unchanged. The court also found it immaterial that the respondent did not renew the registration of a label it previously used for its body care product, as in the court's view, the respondent retained substantial goodwill and residual reputation in that label. The fact that the respondent's product was a market leader in shower gel and holds a significant share of the market in men's personal products and the fact that the label was at some point applied to its shower gel range meant that the respondent had not abandoned its goodwill and reputation.

# Practical and broader significance

It appears from this case that failure to renew trade mark registration may not automatically be construed as abandonment of goodwill and reputation associated with the trade mark owner in respect of the product particularly with respect to passing off actions. Goodwill can only be enforced while the business to which it is attached subsists.

#### **III.** Patents

#### South Africa

Compelling a South African patentee to provide search reports issued in another country in respect of patent applications relating to the subject matter of the South African patent *Microsoft (SA) Proprietary Limited v You First Mobile (Proprietary) Limited* (Case no. 2020/59577) [2021] ZACCP 2, Court of the Commissioner of Patents for the Republic of South Africa, Pretoria, 21 June 2021, Mokose, J

#### Summary

This decision is based primarily on the provisions of s 43(4)(a) of the South African Patents Act which provides for any person to apply to the Registrar of Patents to require a patentee to supply the applicant with any search report issued in another country in respect of an application for a

patent relating to the same subject matter of the patent registered in South Africa. Under that provision, where the patent fails to comply with the application after being served with such by the Registrar of Patents, the applicant may apply to the court of the commissioner of patents for an order compelling the patentee to do so. Microsoft brought such application in this case to compel You First Mobile to furnish it with the requested search reports.

#### Analysis

The court noted that since South Africa does not examine the validity of a patent before it is granted, a patent in South Africa is no guarantee that the patent is valid and enforceable.

The court granted the order compelling You First to supply Microsoft with the prescribed particulars of any search report issued in another country in respect of an application for a patent relating to the same subject matter as You First's patent in South Africa. The court found it persuasive that Microsoft claimed that by itself, it located at least one other patent filed for the same invention in another examining country, Australia and that You First did not refute such claim. Essentially, the fact that Microsoft was able to locate one other patent application filed in respect of the same invention as You First's suggested that there may be more hence the order compelling You First to so disclose.

#### Practical and broader significance

The decision in this case underscores the statutory mechanisms available in South Africa's patent law to minimise any adverse impact of its current non-examination system for patent grants. As the court rightly observed in its judgment, section 43(4)(a) of the Patent Act provides a muchneeded avenue for interested parties to assess the validity of and if necessary seek the revocation of a South African patent without necessarily having to incur the cost of procuring their own search report. The decision further reaffirms that presently in South Africa, the enforceability and validity of a patent is only determined when it is contested in court. Nature of the notional person skilled in the art of an alleged invention and who may answer the question of inventiveness

*Groundprobe Pty Ltd and Another v Reutech Mining (Pty) Ltd and Others* (Case no. 1226/2019) [2021] ZASCA 22; 2021 (3) SA 473 (SCA), Supreme Court of Appeal of South Africa, 19 March 2021, Ponnan, Dambuza, Molemela, JJA and Ledwaba and Gorven, AJJA

#### Summary

This was an appeal against the decision of the Court of the Commissioner of Patents, which revoked the appellants' patent on the grounds that the claims of the patent were obvious to the person skilled in the art of the patent. The Supreme Court of Appeal dismissed the appeal and upheld the decision of the lower court.

#### Analysis

In dismissing the appeal, the Court of Appeal held that lack of inventive step or obviousness was a ground upon which a patent may be revoked. It further held that obviousness is a factual question and that the burden of proof is on the respondents who asserted that the patent was obvious and lacked inventive step. The court stated that the structured approach to considering obviousness involves the identification of the following: the notional person skilled in the art; the relevant common general knowledge of that person; the inventive concept of the claim and any differences that existed between such inventive concept and the matter indicated as forming part of the state of the art. A court would then be obliged thereafter to ask whether in the absence of any knowledge of the alleged invention, the differences constituted steps that would have been obvious to the person skilled in the art.

The court further pointed out that the question of inventiveness depends on expert evidence that would establish the common general knowledge of the person skilled in the art. Considering the evidence of the experts called by the parties, the court concluded that the patent did not disclose any advance in radar technology and was therefore not addressed to a person having particular expertise in radar. Instead, the alleged invention was addressed to a mechanical engineer experienced in mounting and stabilising radar systems. On this basis, the court found that only one of the expert witnesses in the matter was qualified to give evidence of inventive step, if any.

# Practical and broader significance

The case reiterates the position that in considering the question of inventiveness, courts will seek to understand the claims of the invention and on that basis, identify the notional person skilled in the art of the said patent. Such notional person once identified would be competent to proffer evidence of inventiveness or lack thereof.

# PART B – Legislative reform and other developments

# (a) Accessions to and ratification of international and regional IP treaties

- With the deposit of its Instrument of Ratification to the Banjul Protocol on Marks on 3 May 2021, The Gambia is now a party to the ARIPO Banjul Protocol on Marks. The Gambia may thus be designated by applicants since 03 August 2021. There are currently 12 member states to the Protocol.
- Nigeria has passed into law, the Plant Variety Protection Act. The Act introduces breeders' rights, and establishes a Plant Variety Protection Office. The provisions of the Act mirror the International Convention for the Protection of New Varieties of Plants to a great extent and raises concerns about the potential impact on the new regime on small-scale farmers in Nigeria.

# (b) Other developments

- In 2021, the first ever customs application for action was filed in the Comoros. The application may be filed by way of letter together with an explanation on how to distinguish original goods from infringing products, and as the Comoros are part of the OAPI must include a certificate of continued validity of the intellectual property right (certificat de non-radiation and attestation de non-déchéance).
- Uganda also published amendments to its Trade mark Regulations in the Uganda Gazette of 5 February 2021. Marks filed on or after this date must adhere to these new amendments. Amongst the main changes for potential applicants are the express clarification that the most recent edition of the International Classification of Goods and

Services (Nice Agreement) should be used i.e., the 11th edition and that marks should be classified in terms of the current edition of the International Classification of Figurative Elements of Marks under the Vienna Agreement. Trade marks will further be published not only in the Uganda Gazette but in 'any other media as the Registrar may direct'. This includes the Uganda Registration Service Bureau (URSB) IP Journal, which will be published in electronic format on a weekly basis.