

THE PATENT
LITIGATION
LAW REVIEW

FOURTH EDITION

Editor
Trevor Cook

THE LAW REVIEWS

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FOURTH EDITION

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PREFACE

Although patent litigators should always be mindful that patent litigation has, with some justification, been called the ‘pathology of the patent system’, not so much as a criticism, but more in recognition of how remarkably little patent litigation there is, in fact, when seen in relation to the ever increasing number of patents in force at any one time, patent litigation is also the anvil on which patent law is forged. This is because the ‘black letter’ law of patents tends to be terse by comparison to most other areas of law, and it is only with experience of how courts and tribunals interpret such law and apply it that one can start to appreciate its true scope and effect. This, in part, explains how such similarly expressed statutory provisions as one finds in different patent laws can sometimes result in such different outcomes in different jurisdictions – disparities that are all the more evident when they concern the same product or process, and patents that, though in different jurisdictions, are all members of the same family, and are all intended to protect the same invention. As it becomes increasingly common for patent disputes to proceed in multiple jurisdictions, these differences in outcome become ever more apparent.

Such disparities are not only a consequence of differing substantive laws, or differences in interpretation of similarly expressed laws, they can also be a consequence of the considerable procedural differences between jurisdictions, the nature of which is outlined in this Review. However, the Review does not only summarise patent litigation procedures. The respective contributors to it, as leading practitioners in each of their jurisdictions, also focus on recent developments in substantive patent law as demonstrated by the most important recent court decisions in their respective jurisdictions, meaning that this Review also provides insight into the current controversies that affect patent law generally.

The extraordinary events of the last several months have not left patent litigation unscathed, and it will be interesting to see how the changes that the pandemic has wrought, such as remotely conducted hearings, survive the much-hoped-for return to normality. The pandemic was also seen in its early days by some commentators as an excuse to renew pressure to expand the scope of the defences to patent infringement. Although some legislatures have succumbed to such pressure, these measures contribute nothing to the search for the new and improved treatments, which remains the real priority. Instead, this search only serves to emphasise the need for stronger and better focused incentive structures, in which patent law has a role to play.

On a global basis, courts in multiple jurisdictions continue to be involved in controversies over standard-essential patents, one emerging aspect of which is the potential challenge that these present to the territorial nature of patents, as exemplified by the judgment of the UK Supreme Court in August 2020 upholding the imposition by the English courts of a global licence, on terms that they have assessed, as the price for exploiting standard-essential patents

in the UK. The past year has also seen such controversies expand from mobile telephony into the automotive sector. In the United States, the most prominent controversy remains the question of excluded subject matter, as to which there remains a dearth of clear judicial guidance. In Europe, one apparent trend has been towards greater flexibility as to injunctive relief, particularly in medicine – by, for example, in the UK, tailored injunctions, or, in Germany, expedients such as compulsory licences. Although, in Germany, there has also been also talk of legislation to address the issue.

Also as to Europe, previous editions of this work have, perhaps unwisely, tempted fate by including a chapter on the anticipated entry into force of the long-heralded Unified Patent Court Agreement. We have adopted a different approach in this edition, waiting for the dust to settle after two major developments earlier in 2020. The first of these was the decision of the Federal German Constitutional Court upholding, albeit on narrow procedural grounds, a challenge to the consistency of the Agreement with the German Constitution. The second was the decision of the UK, which withdrew from the EU on 31 January 2020, to withdraw its ratification of the Agreement. This raises the prospect, even if the German ruling is susceptible, as the German government currently hopes, of a legislative solution, of having to amend the Agreement before it can enter into force to take account of the UK withdrawal.

Trevor Cook

Wilmer Cutler Pickering Hale and Dorr LLP

New York

October 2020

NIGERIA

Fred Onuobia, Solomon Ezike and Ayodele Ashiata Kadiri¹

I OVERVIEW

The grant, protection and enforcement of patents in Nigeria are primarily governed by the Patents and Designs Act 1970 (PDA). The PDA is complemented by the civil rules of the Federal High Court of Nigeria (the Court)² which provides for procedures on sundry patent-related proceedings.

Patent litigation in Nigeria centres largely on patentability, infringement and invalidation of patents, and references/challenges of the exercise of the powers of Nigeria's Registrar of Patents. In deciding these cases, the Court would usually make orders of declaration, award damages or grant injunctive reliefs. Patent litigation proceedings are instituted at the Court in the first instance. The proceedings may be conducted with the aid of specialists, who have expert knowledge where matters are of a technological or economic nature. The decision or judgment is, however, delivered by a single judge in open court.

In the light of the growing prominence of arbitration as the preferred means of dispute resolution, where a patent dispute arises from a contractual arrangement, Nigerian courts usually lean towards staying proceedings initiated in breach of an arbitration agreement and refer the parties to arbitration. For the Court to so refer, an application is required to be made to the Court by the objecting party that the dispute be referred to arbitration and such a party must not have taken any other step in the suit prior to making the application and must demonstrate a willingness to arbitrate. Mediation is also increasingly encouraged by the Court in patent litigation as it is considered less time-consuming and cost-effective.

II TYPES OF PATENT

A patent granted under the PDA provides protection only in Nigeria. Under the PDA, a patent is granted in relation to an invention for a product or process that is: (1) new or constitutes an improvement on a patented activity and results from inventive activity; and (2) capable of industrial application.³

1 Fred Onuobia is a managing partner, Solomon Ezike is a senior associate and Ayodele Ashiata Kadiri is an associate at G Elias & Co. The authors are grateful to Athanasius Akor (an associate at G Elias & Co) for his research and comments on this chapter.

2 This is the federal commercial court that, among others, exclusively adjudicates intellectual property disputes.

3 PDA Section 1(1).

These requirements are conjunctive. An invention must satisfy the requirements of novelty and industrial applicability. Under the PDA, the following are unpatentable:

- a plants and animal varieties or biological processes for the production of plants and animals;
- b inventions whose publication or exploitation would be contrary to public order or morality; and
- c principles and discoveries of a scientific nature.⁴

Although the PDA stipulates the conditions that must be satisfied before an invention can be the subject of a patent grant, the Nigerian Patent Registry (the Patent Registry) does not, in practice, insist on a strict satisfaction of the conditions. Inventions are merely examined by the Patent Registry for compliance with the following formal requirements:

- a the application for the patent must be made in the prescribed form;
- b there must be a description of the invention with any drawings and plans;
- c the applicant must make a claim or claims in relation to the invention;
- d there must be a declaration by the true inventor (where required);
- e a power of attorney (where required); and
- f the payment of the prescribed fee.

Where these requirements are met, the Patent Registry will grant a patent to the inventor without subjecting the invention to a substantive examination for compliance with the patentability requirements of Section 1 of the PDA. The absence of a substantive examination regime has encouraged the grant of patents for inventions that are normally not patentable, thereby resulting in a high volume of patent litigation.

A patent grant subsists for 20 years from the date of filing of the application. Thereafter, it goes into the public domain. However, a patent may lapse at any time before the expiry of 20 years where the patentee fails to renew it by paying the prescribed annual fees.⁵ In practice, the Patent Registry has not been known to allow a patent to lapse for non-payment of annual fees. Instead, the Patent Registry charges a penalty fee for late payment of the annual fees.

Nigeria is a party to the Patent Cooperation Treaty of 1970 (PCT). Thus, a resident or citizen of any other state party to the PCT may file an international application for the grant of a patent in Nigeria.⁶ However, such an application may be approved or rejected by the Patent Registry as it deems fit.

Residents and citizens of other state parties to the PCT may also make priority applications for patents that have been granted earlier by another state party to the PCT. A priority application, if approved by the Patent Registry, would give the applicant a right to the patent commencing on the date the earlier application was granted. International and priority applications, if approved by the Patent Registry, afford the same protection as applications filed directly under the PDA.

⁴ PDA Section 1(4).

⁵ PDA Section 7.

⁶ PCT Article 9(1).

III PROCEDURE IN PATENT ENFORCEMENT AND INVALIDITY ACTIONS

The Court is conferred with exclusive jurisdiction to hear and determine disputes arising under the PDA.⁷ The Court is established by the Constitution with powers to hear and determine disputes on several matters, including disputes arising from any federal enactment relating to patents. The Court is properly constituted when it is composed of a single judge. There is no jury system in Nigeria. Although the Court is not a specialised court, a fair amount of expertise can be expected from the Court because it is the only court of first instance with jurisdiction to adjudicate patent disputes. In determining patent disputes, the Court is empowered to sit with and be advised by experts having knowledge of the issues involved. The Rules⁸ (defined below)⁹ empower the Court to appoint an expert with or without the application of the parties before it. The Rules provide for the procedure that will be adopted by the expert in producing his or her report in relation to such matter.

The Patent Registry does not have any dispute resolution mechanism for resolving oppositions to the grant of a patent. Oppositions or protests to the grant of a patent are resolved by the Court.

Border control agencies also play a role in enforcing patent rights. The Nigerian Customs Service (NCS) is empowered to search for, seize, detain and destroy counterfeit goods brought into Nigeria.¹⁰ A patent owner may take advantage of this provision by writing a petition to the Comptroller General of the NCS. In practice, patent owners collaborate with the NCS to enforce their rights against infringers. The role of the NCS in such collaborations includes following up on any information from the owner of a patent on the possible entry of counterfeit goods into Nigeria, seizing such counterfeit goods and alerting rights owners of any suspected counterfeit brands that might be of interest to such right owners, discovered in the course of a routine check on goods entering or leaving Nigeria.

The patentee has the legal right to bring a patent infringement suit. A registered licensee may also institute an action for patent infringement if:

- a the licensee notifies the patentee of the infringement;
- b the patentee unreasonably refuses or neglects to institute an action; and
- c the licensee files a copy of his or her notice to the patentee with the Registrar of Patents.

However, the patentee has a right to intervene in proceedings brought by a licensee.

Patent infringement and patent nullification proceedings are governed by the Rules. The plaintiff commences a patent infringement proceeding by filing at the registry of the Court a writ of summons,¹¹ together with:

- a a statement of claim setting out the particulars of the infringement;
- b a list of witnesses the plaintiff intends to call at trial (including expert witnesses) and their written testimonies; and
- c copies of all the documents the plaintiff intends to rely on at the trial.

⁷ Constitution of the Federal Republic of Nigeria, 1999 (as amended) (the Constitution) Section 251(f); PDA Section 26.

⁸ Order 53 Rule 11; Order 41.

⁹ The Federal High Court (Civil Procedure) Rules, 2019 (the Rules).

¹⁰ Customs and Excise Management Act Sections 24 and 46.

¹¹ The Rules, Order 53 Rule 10.

The defendant is required to respond within 30 days of receipt of the plaintiff's papers by filing a statement of defence together with a list of its witnesses and their written testimonies, and the documents it intends to rely on at the trial. The defendant may also file a counterclaim. Upon receipt of the defendant's filings, the plaintiff may file a reply within 14 days.

The plaintiff commences a patent nullification proceeding by a petition,¹² which is accompanied by particulars of the objections to the validity of the patent. The particulars must include every ground on which the validity is questioned and define every issue the petition will raise. After these filings, the plaintiff or petitioner is required to take out a summons for directions as to the place and mode of trial. The summons is returnable in no less than 21 days. Where the plaintiff or petitioner fails to do so, the defendant or respondent is required to take out the summons. An action will only be set down for hearing where a summons is taken out and directions given thereunder by the Court have been carried out or the period fixed for carrying out such directions has expired.¹³ A patent cannot be amended in the course of infringement proceedings.

The trial comprises of the examination, cross-examination and re-examination (if need be) of witnesses by the plaintiff and the defendant. The plaintiff's witnesses start, followed by the defendant's witnesses. Documentary, oral or electronic evidence may be produced during trial. Evidence can only be given on facts that are set out in the pleadings. At the conclusion of trial, the parties are required to file final written addresses in support of the claim or defence (as the case may be). Judgment is delivered within 90 days of the adoption of final written addresses.

As in other civil cases, the legal burden of proof is always on the plaintiff. During trial, however, the evidential burden of proof may shift between the parties. A defendant may also be required to prove its defence. Thus, in the absence of any presumptions of law, the plaintiff in a patent infringement proceeding will need to establish that it is the grantee of the patent and the defendant has infringed the grantee's rights without consent or licence.

The plaintiff is required to positively prove its claims, and not simply rely on the weaknesses of the defendant's case.¹⁴ If, for instance, the defendant's defence is that the patent is invalid, the defendant must prove that: (1) the subject of the patent is not patentable; (2) the patent fails to conform to the requirement for clarity and completeness; or (3) there was an existing prior application or grant of a patent in respect of that same invention.

A party may be compelled to disclose relevant documents or materials to an adversary through procedures called 'interrogatories' (to provide information) and 'discoveries' (to provide documents). Interrogatories are to be delivered within seven days of close of pleadings. Where an interrogated party fails to answer or answers insufficiently, the judge can, on application, order the defaulting party to answer or to answer sufficiently (as the case may be). Discoveries are made in writing and require another party to make discovery on oath of the documents that are or have been in its possession, custody, power or control, relating to any issue in question in the action.¹⁵

The Court may, upon the application of a party, issue a *subpoena duces tecum* or *subpoena ad testificandum*, compelling a third party to produce certain documents in its possession or give oral testimony or do both. Also useful in obtaining evidence against a defendant is the

12 The Rules, Order 53 Rule 8.

13 See, generally ,Order 53 Rule 10(6) of Rules.

14 *Omotosho v. Bank of the North* (2006) 9 NWLR (Part 986) 573.

15 Order 43 of the Rules.

Anton Piller order that, when granted by the Court, entitles the plaintiff to enter the premises of the defendant and recover the infringing items. An application for an *Anton Piller* order can be made *ex parte* and is granted sparingly. The plaintiff must show that:

- a it has a strong *prima facie* case;
- b it will suffer serious damage if the order is not granted; and
- c there is clear evidence that the defendant has in its possession incriminating documents or items, and that there is a real possibility that the defendant may destroy such materials before an application on notice can be made.¹⁶

A defendant to a claim for patent infringement may challenge the validity of a patent as a defence to the suit. The defendant may also file a counterclaim in the same suit, requesting the Court to nullify such a patent. It is also a defence to a patent infringement suit that the acts said to constitute the infringement took place before the patent was granted or that the defendant was granted a licence (by the patentee, the Court or the Minister of Trade, Industry and Investments) to exploit the patent, or that the patent has expired or lapsed. When raising the invalidity of a patent as a defence, the defendant must ensure that the patentee (not a mere licensee) is a party to the action. Thus, where the defendant is sued by a licensee and the defendant intends to validly challenge the validity of the patent, the defendant must apply to the Court for leave to have the patentee joined as a party to the suit.

A defendant to a patent infringement action can rely on the existence of a concurrent action challenging the validity of the patent to apply for and obtain an order for stay of proceedings in a patent infringement action. Under Nigerian law, an order for stay of proceedings in respect of concurrent or cross-action will be granted where:

- a the parties in the concurrent proceedings are the same;
- b the subject matter in the action sought to be stayed is substantially similar to that of the action already pending between the parties; and
- c there is no other consideration against granting the relief for stay of proceedings; for example, unreasonable delay, acquiescence or abuse of court process.¹⁷

Further, a party prosecuting an interlocutory appeal,¹⁸ may apply for and obtain a stay of proceedings in the substantive suit pending the determination of the interlocutory appeal.

Where a defendant satisfies the foregoing requirements, the Court may grant an order for stay of proceedings pending when the question regarding the validity of the plaintiffs' patent is determined. The Court may also consolidate both actions, hear and determine them together.

Proceedings for patent infringements could take 12 to 18 months at the trial court, and a final appeal to the Supreme Court of Nigeria could take four to six years. The usual costs are: (1) court filing fees, which are assessed on the amount of claim; (2) fees of expert witnesses; and (3) attorneys' fees.

Costs are usually awarded in favour of a successful party. The quantum of costs recoverable is usually at the discretion of the Court. However, a specific amount may be recovered where specifically proven (e.g., filing fees).

16 *Gallaher v. BAT (Nigeria) Ltd* (2015) 13 NWLR (Part 1476) 325.

17 *Ojora v. AGIP* (2014) 1 NWLR (Part 1387) 150.

18 That is, an appeal against a decision not determinative of the final rights and obligations of the parties.

A plaintiff in a patent infringement action may apply to the Court for an order of interim or interlocutory injunction, requiring the defendant to desist from further infringement of the patent. An application for interim injunction can be made *ex parte*. Interim injunctions are only granted in situations of extreme urgency. As such, the Court will grant an order of interim injunction only where the plaintiff shows that it will suffer irreparable damage if the order is refused.¹⁹ An interim order subsists for a short period, usually pending the hearing of an application for interlocutory injunction (with the defendant being put on notice).

An order of interlocutory injunction, on the other hand, subsists until the final determination of the action, unless vacated earlier by the Court. A plaintiff requesting an order of interlocutory injunction from the Court must establish that:

- a it has a legal right that has been infringed and requires protection;
- b there is a serious question to be tried in the action;
- c damages will not be an adequate remedy for the injury it has suffered by reason of the infringement of the patent;
- d the balance of convenience is on its side, and that more justice will result in the grant of the application than in refusing it; and
- e it has not acted reprehensibly.²⁰

When applying for an interim or interlocutory order of injunction, the plaintiff must make an undertaking (and file a letter of undertaking) to the Court to pay damages to the defendant if it is discovered that the order ought not to have been made.

Patentees cannot face liability for threatening patent infringement proceedings. However, where a patentee institutes patent infringement proceeding, and it is found in the course of the proceedings that the plaintiff's claims lack merit, the action will be dismissed and costs may be awarded against the plaintiff.

IV SUBSTANTIVE LAW

i Infringement

A patent confers on the patentee the right to preclude any other person where: (1) the patent has been granted in respect of a product, from making, importing, selling or using the product, or stocking it for sale and use; and (2) the patent has been granted in respect of a process, from applying the process or doing, in respect of a product obtained directly by the process, any of the acts in (1).²¹

Thus, an infringement is committed where a person other than the patentee, in the case of a patented product, makes, imports, sells, uses such product, and in the case of a patented process, applies the process or imports, sells, makes or uses the product of the process, without the licence of the patentee.²² An actual infringement of the patent must occur before the cause of action can accrue. However, where there is a threat of infringement,

19 *Pharma Deko Plc v. FDC Ltd* (2015) 10 NWLR (Part 1467) (p. 225 at 231).

20 *Pharma Deko Plc v. FDC Ltd (supra)*.

21 PDA Section 6.

22 PDA Section 25(1).

a patentee may apply to the Court for a *quia timet* injunction, which prevents a threatened infringement of the patentee's right. There is no time limit for commencing an action for patent infringement.²³

Nigerian patent law does not have extraterritorial effect. As such, patent infringements that take place outside Nigeria cannot be enforced by Nigerian courts. For an infringement to be actionable, the alleged infringement of the patent must have been committed in Nigeria.

The directors of a company cannot be held personally liable for the wrongful acts of the company. A company acts through its directors and its shareholders, and the acts of the members in general meeting or its directors in the ordinary course of business are taken to be the acts of the company itself.²⁴ Thus, directors will not be liable for patent infringements committed by a company. However, a company will be vicariously liable for infringements committed by its employees acting within the scope of their employment.²⁵

The doctrines of equivalents and file wrapper estoppel do not apply in Nigeria. Similarly, Nigerian patent law is silent on exhaustion of rights. However, in practice, a defendant can assert that the patentee cannot claim the exclusivity conferred by the patent to oppose further commercialisation of genuine products protected by such rights once those products have been brought to the market by the patentee or with its consent. In determining an allegation of infringement, the Court is required to interpret the patent in question and determine the scope of protection conferred in terms of its claims and specifications. In doing so, the description (and the plans and drawings, if any) included in the patent are used to interpret the claims.²⁶

ii Invalidity and other defences

A patent may be challenged on the ground that the subject of the patent is unpatentable; for example:

- a the patent is not new, does not result from inventive activity and is not capable of industrial application;
- b the patent is in respect of a plant or animal variety or biological process; or
- c the application or exploitation of the patent is contrary to public order or morality.

A patent can also be challenged on the basis that the description of the invention is not sufficiently clear and complete for the invention to be put into effect by a person skilled in the art or field of knowledge to which the invention relates, or that a patent has been granted in Nigeria for the same invention that is the subject of a prior application or an application benefitting from an earlier foreign priority.

A defendant to a claim for patent infringement may challenge the validity of a patent as a defence to the suit.²⁷ The defendant may also file a counterclaim in the same suit, requesting the Court to nullify such a patent. It is also a defence to a patent infringement suit that the acts said to constitute the infringement took place before the patent was granted,²⁸ or that the defendant was granted a licence by the patentee to exploit the patent (by the patentee, the

23 *Sotunminu v. Ocean Steamship (Nig) Ltd et al* (1992) NWLR (Part 239) p.1.

24 *Companies and Allied Matters Act 2020* (CAMA) Section 89.

25 CAMA Section 90(3).

26 PDA Section 6(2).

27 *Arewa Textiles v. Finetex Ltd* (2003) 7 NWLR (Part 819) 322.

28 PDA Sections 6(3)(b) and 6(4); *Uwemedimo v. MP Unltd* (2011) 4 NWLR (Part 1236) 80.

Court, or the Minister of Trade, Industry and Investments), or that the patent has expired or lapsed. When raising the invalidity of a patent as a defence, the defendant must ensure that the patentee (not a mere licensee) is a party to the action. Thus, where the defendant is sued by a licensee and the defendant intends to validly challenge the validity of the patent, the defendant must apply to the Court for leave to have the patentee joined as a party to the suit. Lack of knowledge is not a defence to a patent infringement claim.

V FINAL REMEDIES FOR INFRINGEMENT

Where a plaintiff succeeds in a patent infringement action, the Court may award monetary damages against the defendant, or make an order of mandatory injunction requiring the defendant to desist from further infringement of the patent. The Court may also order the defendant to account for profits made from the infringement of the patented invention, or to deliver up the infringing items for destruction.²⁹ Damages can be nominal, general, punitive or special. The plaintiff is required to prove its entitlement to damages claimed and can do so by an estimation of the loss it incurred as a direct result of the infringement.

Mandatory injunctions are granted where a plaintiff succeeds in establishing an actual or threatened infringement of its patented invention. The injunction will usually restrain the doing of all the activities that constituted the infringement or threatened infringement, and will last as long as the patent subsists or until the injunction is set aside by an appellate court. A mandatory injunction may also be stayed pending the determination of an appeal against the decision.

VI OTHER TYPES OF PATENT PROCEEDING

i Declaration of invalidity

In addition to an action for infringement of patent, the Court has exclusive jurisdiction to adjudicate an application challenging the validity of a patent. The Court is properly constituted when it is composed of a single judge. The Court may also sit with and be advised by experts where the Court considers it necessary.

An action to challenge the validity of a patent can be brought by any person, including a public officer in the execution of his or her public duty. However, any person, other than a public officer, who files an application challenging the validity of a patent must satisfy the Court that he or she has a material interest in bringing the application. Failure to satisfy the Court that he or she has a material interest in the subject matter of the application will result in a dismissal of the application. The patentee must be made a party to the action. The Court cannot determine the validity of the patent where the patentee is not a party to the action.³⁰

An action to challenge the validity of a patent is commenced by filing a petition. The petition must set out the particulars of the petitioner's objections to the validity of the patent and specify in clear terms every ground on which the validity of the patent is being challenged. If the grounds include want of novelty or inventive step, the particulars must state the manner, time and place of every prior publication or user relied upon among others. Except with leave of the Court, no evidence is admissible in proof of any objection

²⁹ PDA Section 25(2).

³⁰ PDA Section 9(5)(a); *Arewa Textiles Plc v. Finetex Ltd* (see footnote 27).

to the validity of a patent, if the objection was not raised in the particulars of objection. A respondent to such an action is required to file an answer to the petition within 21 days of receipt of the petition.

The petitioner is required, within one month of receipt of the respondent's answer or after the expiry of the time fixed for service of the answer, to apply to the Court by a summons for directions as to the place and mode of trial. The respondent is empowered to take the foregoing steps if the petitioner fails to do so. The petition will not be set down for trial unless and until the summons for directions has been taken out and the directions given and complied with. Where the Court directs that evidence is to be given by affidavit, the deponents or witnesses (expert witnesses inclusive) will be cross-examined, unless with the permission of the Court the parties agree otherwise. In addition to oral evidence, the petitioner and the respondent may also provide documentary and electronic evidence during the trial.

As in a patent infringement action, a party may be compelled to disclose relevant documents or materials to an adversary through procedures called 'interrogatories' (to provide information) and 'discoveries' (to provide documents). Interrogatories shall be delivered within seven days of close of pleadings. Where an interrogated party fails to answer or answers insufficiently, the judge shall, on application, order him or her to answer or to answer sufficiently. Discoveries are also made in writing requiring another party to make discovery on oath of the documents that are or have been in his or her possession, custody, power or control, relating to any issue in question in the suit.

Upon the application of any party, the Court may issue a *subpoena duces tecum* or *subpoena ad testificandum* compelling a third party to produce certain documents in its possession or give oral testimony or both. The plaintiff may apply to the Court for an *Anton Piller* order to enable it to enter the premises of the defendant and recover the infringing items.

As in all civil cases, the onus lies on the challenger to prove that the patent is invalid. The standard of proof is on the balance of probabilities. The application may take between 12 and 18 months before it is heard and determined. Where the application fails, the patentee may recover the costs of the action from the challenger. Costs are usually awarded at the discretion of the Court, taking into account the fact and circumstances of each case.

ii Proceedings for compulsory licence

Court-sanctioned

The Court also has the power to hear applications for and to grant compulsory licences in respect of patents.³¹ An application for compulsory licence may be brought on several grounds. These grounds include that:

- a the patented invention, being capable of being worked in Nigeria, has not been so worked;
- b the existing degree of working the patented invention in Nigeria does not meet, on reasonable terms, the demand for the product;
- c the working of the patented invention in Nigeria is being hindered by the importation of the patented article; or

³¹ PDA Section 11.

- d by reason of the refusal of the patentee to grant licences on reasonable terms, the establishment or development of industrial or commercial activities in Nigeria is unfairly and substantially prejudiced.

An application for a compulsory licence on any of these grounds can be brought by any person at any time after the expiry of a period of four years after the filing of a patent application or three years after the grant of the patent – whichever is later.

In addition to the above, a person who intends to exploit an invention protected by a patent, but cannot do so without infringing the patent, may obtain a compulsory licence in respect of the patent to the extent necessary for the working of the later invention, provided that a later invention: (1) serves industrial purposes different from those served by the invention that is the subject of the earlier patent; and (2) constitutes substantial technical progress in relation to earlier invention.

Where both inventions serve the same industrial purpose, the Court may grant compulsory licences in respect of both patents to the patentees.

A compulsory licence will not be granted unless the applicant satisfies the Court that he or she has asked the patentee for a contractual licence but has been unable to obtain a licence on reasonable terms and within a reasonable time, and guarantees to the Court to work the invention sufficiently to remedy the deficiencies that gave rise to its application. Where the Court grants the compulsory licence, it may also make an order as to the terms of the licence, including royalties. A compulsory licence entitles the licensee to make, sell, import the product or apply the process covered by the licence, but does not entitle the licensee to issue licences. A compulsory licence is non-exclusive.

After the grant of a compulsory licence, a patentee or licensee may apply to the Court to vary the licence where reasonable grounds exist for doing so (e.g., the patentee has granted contractual licences on more favourable terms). The patentee may also bring an application to cancel a compulsory licence if the licensee does not comply with the terms of the licence, or the conditions that justified the grant of the licence have ceased to exist.

Government agencies

The Minister of Industry, Trade and Investment may, if satisfied that it is in the public interest to do so, authorise any person to purchase, make, exercise or vend any patented article or invention for the service of a government agency in Nigeria.³² Such authority may be granted to any person, whether or not he or she is authorised by the patentee to exploit the relevant patent. The Minister may grant such authority before or after the relevant patent has been granted, or before or after the doing of the acts in respect of which the authority was given. The grantee of such an authority is exempted from liability for infringement of the patentee's rights.

VII APPEAL

Appeals against the decisions of the Court are heard in the first instance by the Court of Appeal and finally by the Supreme Court. Thus, parties to patent infringement and patent invalidity actions may file an appeal as of right to the Court of Appeal, against the final

32 PDA Section 11.

decision of the Court.³³ Interlocutory decisions of the Court are also appealable to the Court of Appeal either with leave or as of right. Appeal lies with the leave of the Court or the Court of Appeal on interlocutory decisions of the Court where the grounds of appeal involve only questions of facts or a mixture of facts and law.³⁴

The Court of Appeal generally re-examines or reviews the decisions of the Court with a view to deciding whether, on proper consideration of the facts and the applicable law, the Court arrived at a correct decision or conclusion. Appeals are determined on briefs of argument filed by both parties. Only in exceptional circumstances does the Court of Appeal consider new evidence. A party that seeks to introduce new evidence on appeal must satisfy the appellate court that the evidence:

- a could not have been obtained for use at the trial with reasonable diligence;
- b if admitted, the evidence would have an important, not necessarily crucial effect on the whole case; and
- c must be credible in the sense that it is capable of being believed and it need not be incontrovertible.

An appeal can take between 12 and 36 months at the Court of Appeal, and up to five years at the Supreme Court. The typical appeal costs are court filing fees and attorneys' fees. Costs are usually awarded in favour of a successful party. This is, however, at the discretion of the appellate court.

VIII THE YEAR IN REVIEW

There has been very little patent litigation activity in the past year. Patent litigations have predominantly been in respect of patent infringement and patent invalidity. The courts have always been inclined to protect the interest of patentees where the patentee's rights are being infringed. The courts also do not hesitate to declare invalid a patentee's right to a patent where any of the invalidating circumstances as enunciated above occurs.

IX OUTLOOK

The past 18 months have seen the enactment of at least three statutes that have greatly affected commerce in Nigeria. These statutes are the Federal Competition and Consumer Protection Act, 2019, the Finance Act, 2020 and the Companies Allied Matters Act, 2020. The Federal Competition and Consumer Protection Act, 2019 would regulate competition in the intellectual property related market. Perhaps the long-awaited Industrial Property Commission (the IPCOM Bill), which seeks to harmonise all intellectual property legislation and intellectual property administering agencies, may eventually be passed into law. Under the IPCOM Bill, IPCOM will be the sole agency responsible for the administration of intellectual property in Nigeria.³⁵

³³ The Constitution Sections 241(1)(a) and 243(a).

³⁴ The Constitution Sections 241, 242(1) and 243(a).

³⁵ The current situation admits both the Nigerian Copyright Commission (the agency responsible for the administration of copyrights) and the Patents and Trademarks Registry (for patents and trademarks).

In addition, the IPCOM Bill seeks to provide for the protection of trademarks, patents, designs, plant varieties, animal breeders and farmers' rights. Consultations on the IPCOM Bill are continuing.

Appendix 1

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