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INTELLECTUAL PROPERTY LAW CLASS NOTES (LL.B III)
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TOPIC ONE

GENERAL INTRODUCTION

1.0 Introduction

Right to property is among the internationally recognised human rights.¹ A property right refers to any right to a specific property whether tangible or intangible.² Tangible properties include all physical objects such as land, vehicle, crops and house. Intangible properties, unlike tangible properties, are abstract, not physical. Intangible properties include all types of intellectual property.

1.1 Intellectual Property

Intellectual property is commonly defined as a form of private property rights that are granted to individuals or legal persons by a state authority to control certain products of human intellect and ingenuity.³ The term refers broadly to the creations of human mind.⁴ Intellectual property rights, therefore, protect the interests of creators of human mind by giving them property rights over their creations.⁵ It enables an inventor, author or manufacturer to derive financial rewards from his inventiveness, skill, imagination or ingenuity and ensure that he is associated with the fruits of his labours.⁶ The key difference between Intellectual Property Rights and other forms of property rights is that the latter deals mainly with tangible commodities that are capable of exclusive possession and clear delineation by their own physical parameters while Intellectual Property Rights are intangible and are essentially rights of exploitation of information.⁷

Intellectual property is divided in to two: **Industrial property** which includes *patents for inventions, trademarks, industrial designs and geographical indications*, and **copyright**

¹ For example see Article 17 of the Universal Declaration of Human Rights, 1948

² Mwaipopo, R.A, **Intellectual Property Rights and the Regulation of Access to and Benefits Sharing of Genetic Resources in Mainland Tanzania**, PhD thesis, p.50

³ *Ibid* p.61

⁴ WIPO, **Understanding Copyright and Property Rights** p.5

⁵ *Ibid*

⁶ Gardiner, R.K, *Industrial and Intellectual Property Rights: Their Nature and the Law of the European Community*, The Law Quarterly Review Vol. 88 p.507

⁷ Mwaipopo, R.A, *Op cit*, p.50

and neighbouring right. Like tangible properties, intellectual property, can be transferred from one person to another by way of sale, lease, assignment or by way of inheritance.

1.2 Intellectual Property Law

Before we define intellectual property law, it is important to define the word law. Law refers to a set of enforceable rules and principles regulating behaviour of individuals in the society. Intellectual property law defines who is the owner of the intellectual property; the rights of the owner of intellectual property; and it regulates the behaviour of the society in relation to intellectual properties.

The primary role of intellectual property law is to protect rights of owner of intellectual property. Intellectual property law describes the owner's rights as exclusive; it gives the owner the right to restrain others from using his intellectual property without authority. It is argued that the protection given to the owner of intellectual property is purely economic as the intellectual property owner is being provided with the exclusive right to exploit that property⁸. The law also recognise moral rights of the owner of intellectual property. The owner of the intellectual property can, among other things, protect the integrity of the work (eg copyright work) using his right to object to derogatory treatment of the work⁹.

Intellectual property also protects the society against any abuse of intellectual property. For example rights for example there are circumstances where compulsory licences are available for unreasonable underuse of the patent by the patentee.

Intellectual property, like other categories of property, is recognised and protected in international, regional and national laws. In Tanzania, apart from Acts of parliament and regulations made under them, there are also regional and international agreements which form part of part of legal regime for intellectual property in Tanzania. These include the Berne Convention of 1886, Agreement on Trade Related Aspects of Intellectual Property

⁸ Hart, T. et al (2009), Intellectual Property Law (Fifth Edition), Palgrave Macmillan, UK., at pg 2

⁹ *Ibid.*

Rights (TRIPS Agreement) of 1994, the Paris Convention for the Protection of Industrial Property of 1883 e.t.c.

1.3 The Rationale for Protecting Intellectual Property

Intellectual property, like other tangible properties, is legally recognised by various international, regional and national instruments. The owner of intellectual property is equally protected by the laws as owner of other types of properties. In Tanzania, the legal basis for protecting intellectual property can be drawn from Article 24 of the Constitution of the United Republic of 1977 as amended from time to time. The Article states that,

24 (1) Every person is entitled to own property, and has the right to the protection of his property held in accordance with the law.

(2) Subject to the provisions of sub article 1 it shall be unlawful for any person to be deprived of his property for the purposes of nationalization or any other purposes without the authority of law which makes provision for fair and adequate compensation

Also Article 27(2) of the Universal Declaration of Human Rights states that¹⁰.

*Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.*¹¹

Therefore, although intellectual properties are not tangible, the owner of them is entitled to full protection of the law which is accorded to owners of tangible properties.

1.4 IPR and Competition Law

Intellectual property rights essentially confer total or qualified monopolies. The ownership of an intellectual property right entitles the owner to prevent third parties from exploiting the intellectual property in question, in some cases for a limited period.

¹⁰ United Nations General Assembly Resolution 217(III) of 10th December, 1948

¹¹ See also Article 15(1)(c) of the International Covenant on Economic, Social and Cultural Rights of 1966 which reiterates the above provision of Universal Declaration of Human Rights

Having the exclusive right to exploit a particular form of intellectual property also gives the owner the potential to license others, for a fee, to exploit the same intellectual property.

In contrast, the simple hallmark of competition law is the protection of those principles and practices which enable the efficient functioning of markets. A natural concomitant to this objective is making certain that incumbent enterprises do not engage in anticompetitive practices to the detriment of the market. Competition law works against monopolies. Although both IP law and Competition law share the same fundamental goals of enhancing consumer welfare and promoting innovations there may be instances where the exercise of IPR may harm consumer welfare to such an extent that competition law should intervene¹².

The interaction between intellectual property rights (IPRs) and competition law is predominantly created by the non-rivalrous and non-excludable nature of intellectual property, which causes the problem of “appropriability”. The creation of this *prima facie* “inherent tension” is due to IPR holders being granted statutory rights to essentially control access to the intellectual property and charging monopoly rents for the use of the IPRs—something apparently in conflict with competition law, which attempts to curtail such market power.

However, it is now usually accepted (as typified by the formulation of competition law as “public interest law designed to regulate the exercise of economic power”) that the two regimes are not so much at loggerheads/disagreement as they pursue the goals of consumer welfare and encouraging innovation through different means. Premised on the idea that enterprises in a competitive market will be less complacent/satisfied and have greater incentive to innovate to gain market share, competition law can indeed act as a spur/incentive/catalyst for intellectual property. It is thus implicitly understood that the real issue that competition law has is not with the existence but with the exercise of IPRs. Striking this balance involves walking the tightrope between over- and under-protection

¹² Hart T., *Op.Cit.*, at pg 271

of innovators' efforts—not compromising on a sufficient incentive for the innovator but also ensuring that follow-on invention is not delayed and consumers are not victimized for unnecessarily long periods by high prices

Three theoretical bases have been suggested for this reconciliation between IPRs and competition law regimes:

- (a) the view that competition law should only interfere with innovation/IPRs when social welfare is at risk;
- (b) the view that concentration and monopoly markets have the edge over competitive markets in terms of innovation owing to greater capital and resources and
- (c) The view that competition law only concerns itself with consumer welfare when the effects of a proposed action on production and innovation efficiency are neutral or indeterminate¹³.

¹³ Research Paper for the Competition Commission of India, Competition Law and Intellectual Property Rights with Special Reference to the TRIPS Agreement 2005, at pg 1- 3

CHAPTER TWO

COPYRIGHT AND NEIGHBOURING RIGHTS

2.0 Introduction to Copyright

Copyright is a form of protection provided to the authors of “original works” and includes literary works such as, novels, poems and plays; artistic works such as drawings, paintings, photographs and sculptures; musical works; films; dramatic works and architectural designs.¹⁴ It is an exclusive right and gives its creator, or owner if the rights are sold, the sole right to reproduce the copyrighted work, to prepare derivative works, to distribute and sell any copies of the copyrighted work, to perform or display the copyrighted work publicly.

Copyright protects the expression of an idea not the idea itself¹⁵. It prevents others from copying or reproducing someone’s work. Copyright is a right that arises automatically upon the creation of an original work be it literary, dramatic, musical or artistic operates automatic to secure for it copyright protection. No formalities are necessary. The work needs only to be in a fixed material form. Copyright exists and may be enforced without registration.

2.1 Works Protected under Copyright

Article 2(1) of the Berne Convention for the Protection of Literary and Artistic Works¹⁶ provides a list of works covered in copyright. The convention states that:

¹⁴ Early copyright was in form of privilege issued to printing company. The first printing privilege was issued to Richard Pynson, the Royal Printer in 1518. The privilege prohibited the printing for two years by any one else except Richard Pynson. By an Act of 1529, Henry VIII set up a system of privileges and printing came to be controlled by the stationers company (Bainbridge, D.I: 29-30). The law of copyright was, therefore, first concerned with preventing the unlawful reproduction of copies of books (James, F.E & James, E p. 3)

¹⁵ *Springfield v Term* [1903] 19TLR 650. See also Article 9(2) of Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994

¹⁶ 1986

The expression “literary and artistic works” shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatic-musical works; choreographic works and entertainments in dumb show; musical compositions with or without words; cinematographic works to which are assimilated works expressed by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science.

The list of works covered by the convention is not closed one. The introduction of computer increases the list of works covered under copyright. Although computer programs were never included in the Convention’s list of protected works, it is crystal clear that such works are covered by the expression “every production in the literary, scientific and artistic domain”.¹⁷

The list of works protected by copyright also includes translations, adaptations, arrangements of music and other alterations of literary and artistic works, and collections of literary and artistic works which constitute intellectual creations, and which do not prejudice the copyright in the original works.¹⁸ Copyright protection does not extend to ideas, procedures, methods of operation and mathematical concepts.¹⁹

¹⁷ The WIPO Copyright Treaty adopted in Geneva on December 20, 1996 provides under Article 4 that computer programs are protected as literary works within the meaning of Article 2 of the Berne Convention. WIPO Copyright Treaty is a special agreement within the meaning of Article 20 of the Berne Convention for the Protection of Literary and Artistic Works, as regards Contracting Parties that are countries of the Union established by that Convention. The Treaty has no connection with any other treaty other than the Berne Convention. See also Article 10(1) of TRIPS Agreement

¹⁸ Article 23) & (5)

¹⁹ Article 2 of WIPO Copyright Treaty *Op cit*

2.2 Originality in Copyright

As we saw earlier, copyright protect specific and original expression of the idea. However the word original in relation to copyright does not mean that the work must be the expression of original or inventive thought.²⁰ The originality which is required relate to the expression of thought/idea. Example: there are many films about a boy born poor, loves and finally marries to a girl from a wealth family. This theme cannot be monopolized, but original works to it can be. It is theoretically possible for two persons independently to produce identical works, and each will be considered to be the author of his work for copyright purposes.²¹ The originality in copyright therefore means that the work is not copied; that is to say, it originated from the author. In the case of *Walter v Lane*²², Lord Davey held that:

“...Copyright has nothing to do with the originality or literary merits of the author or composer. ..[I]t is a sound principle that a man shall not avail himself of another's skill, labour, and expense by copying the written product thereof...”

The issue of originality was further discussed in the case of *Macmillan v Cooper*²³. In this case Lord Atkinson stated that:

"it is the product of the labour, skill, and capital of one man which must not be appropriated by another, not the elements, the raw material, if one may use the expression, upon which the labour and skill and capital of the first have been expended. To secure copyright for this product it is necessary that labour, skill and capital should be expended sufficiently to impart to the product some quality or character which the raw material did not possess, and which differentiates the product from the raw material....What is the precise amount of the knowledge, labour, judgment or literary skill or taste which the author of any book or other compilation must bestow upon its composition in order to acquire copyright in it

²⁰ *University of London Press Ltd v University Tutorial Press Ltd* [1916] 2 Ch 60157

²¹ Bainbridge, D.I, **Intellectual Property** (6th edition), p.27

²² [1900] AC 539, 551-2

²³ (1924) 40 TLR 186

within the meaning of the Copyright Act 1911 cannot be defined in precise terms. In every case it must depend largely on the special facts of that case, and must in each case be very much a question of degree."

Originality in relation to copyright, therefore, means that, the work should originate from the author as opposed to a work copied from another author's work.

In the case of *University of London Press v University Tutorial Press*²⁴, the defendant issued a publication which reproduced certain examination papers in which the claimant claimed copyright. In considering the claim the court expanded the meaning of originality for copyright. The court provided that the idea expressed in the work need not to be original; it is the expression which must be original. If independent skill and labour have been applied in creating a work, this will suggest a new work which attracts copyright protection even if an existing work has been used as a reference point²⁵.

2.3 Ownership of Copyright

Copyright may arise automatically by creating a work. Therefore the first owner of a copyright in a work is the person who created the work (author).²⁶ Copyright may also be owned jointly where more than one author is involved in creating the work. However there are circumstances where the creator of the work may be different person and copyright holder may be another person. This will usually happen where the author created the work during the course of employment or within the scope of his job specification²⁷. In this circumstance, the owner of copyright is the employer unless an agreement to the contrary is in place.

²⁴ [1916] 2 Ch 60157

²⁵ See also the cases of *Interlego v. Tyco* [1989] 2 AC 217, 263 per Lord Oliver and *Cramp v Smythson* [1944] AC 329 per Viscount Simon LC

²⁶ Henry, M (1998), *Current Copyright Law*, p.9

²⁷ See the case of *Stephenson Jordan & Harrison v MacDonald & Evans* (1952) RPC 10, cited in Hart, T., *et al*, *Op Cit.*, at pg 208. See also about commissioned works

2.3 Duration of Copyright

The term of the protection of copyright differs from country to country and also depending on category of copyright work. However the general term under the Berne convention is life of the author and fifty years from the end of the year of his death.²⁸ If the work is of joint authorship, the terms of protection counted from the death of the author are calculated from the death of the last surviving author.²⁹ In the case of cinematographic works, the term of protection is fifty years from the end of year in which the work became available to the public with the author's consent or fifty years after the making of the work, if the work has not been made available to the public within fifty years from the making.³⁰

The term of protection for anonymous and pseudonymous works is fifty years after the work has been made lawfully available to the public. However if the identity of the author of an anonymous or pseudonymous work is revealed to the public during such period, the term of protection will be life time of the author plus fifty years after his death.³¹ In regard to photographic works and works of applied art protected as artistic works, the countries of the Union are given the discretion to prescribe the terms of protection provided that the minimum term of protection of a photographic work, or a work of applied art protected as an artistic work shall extend to the end of a period of twenty-five years calculated from the making of such work³².

The Berne Convention only provides for minimum term of protecting copyright works. The parties to the convention are, therefore, free to grant terms of protection that are longer than those provided by the Convention.³³

2.4 The History of Copyright Law in England

²⁸ Article 7(1) & (5)

²⁹ Article 7^{bis}

³⁰ Article 7(2)

³¹ Article 7(3)

³² Article 7(4)

³³ Article 7(6)

Historically, after the Second World War, Tanzania (then Tanganyika) was put under British Colonial government. Further, as we all know that most of our laws in Tanzania have their history from England, it is, therefore, worthy of note to have brief survey of history of copyright law in England.

In England, copyright has its root in the 16th Century. Initially the courts recognised a need for some form of protection for books. In the 1550s, a compulsory system of registration of books with the Stationers' Company was established with the aim of affording protection for authorship. However the first statute adopted by the parliament was known as the Statute of Anne of 1709, and was introduced following calls for greater protection of authors. The Statute gave an exclusive printing right of 14 years, followed by further period of 14 years to be enjoyed by the author if living. In 1734, the Engraving Copyright Act was passed, which gave copyright protection to engravings. Gradually over the next 150 years, a number of Acts were passed extending copyright protection to musical, dramatic, and artistic works. By 1800s there were around 14 Copyright-related Acts.

In 1885 the Great Britain signed the Berne Copyright Convention of 1883. The Convention provided for international protection of Copyright for the works of nationals of all countries who signed the convention. The Convention further required the member states to extend minimum standards to nationals of all other member countries. Therefore to meet with minimum standards, in 1991 UK enacted the Copyright Act which repealed and replaced a number of existing Acts and abolished common law copyright which had previously extended an indefinite term of copyright for unpublished literary works.

Since then, a number of changes in international community have been influencing England Copyright law. These include the passing of various regional and international agreements such as TPIPS Agreement.

The registration system with the Stationers' Company became optional after the Copyright Act of 1911. If an author registered a book with the Stationers' Company, it

purported to give them a perpetual right to reproduce the book and, consequently, prevent the reproduction by anyone else.

2.5 The History of Copyright Law in Tanzania

The history of copyright law in Tanzania is traced back to 1924 when the first copyright law, the Copyright Ordinance was promulgated by the colonial government.³⁴ The ordinance was made by Mr. John Scott³⁵, the then acting governor of the erstwhile Tanganyika territory by virtue of powers granted to him by the Tanganyika Order in Council of 1920.³⁶ The Ordinance extended the English Copyright Act, 1911 to Tanganyika territory.³⁷ Under the 1924 Ordinance, copyright was vested in every original literary, musical, dramatic and artistic works. Copyright protection subsisted in the protected works during the life of the author and for period of 50 years after the author's death.³⁸

In fact, as early as 1924, there were no Tanganyika authors or publishers who would have benefited from introduction in the country of copyright protection regime.³⁹ Therefore, it can be said that the promulgation of Copyright Ordinance was intended to protect foreigners who hogged the publishing industry in then Tanganyika territory.

Most of the laws which were made during colonial period segregated Africans in different ways.⁴⁰ Soon after independence, the government of Tanganyika like other African governments replaced colonial laws with new enactments. In 1966, the Copyright Act⁴¹ was enacted to replace the Copyright Ordinance of 1924. The Act granted copyright in original literary, musical and artistic works, if the work had been written down,

³⁴ No. 15 of 1924

³⁵ Koyugi, J.O, **The Uneasy Case for Copyright Protection in Computer Programs: A Challenge to the Copyright and Neighbouring Rights Act**, 1999, A Dissertation Submitted in Partial Fulfilment of the Requirements for the Degree of Master of Laws of the University of Dar es Salaam, November, 2005, *p.45*

³⁶ Under section 13(a) (1) of the Tanganyika Order in Council, the governor was vested with the authority to make ordinances for the administration of justice, the raising of revenue and generally for the maintenance of peace, order and good governance.

³⁷ Section 1 of Copyright Ordinance, 1924. The Tanganyika Order in Council of 1920, section 13(9), permitted the enactment of an Ordinance that applied to Tanganyika any law of the United Kingdom or of any of its colonies.

³⁸ *Ibid* p46

³⁹ Koyugi, J.O, *Op cit* p.45

⁴⁰ Most of the laws were made to protect the interests of the colonial government and the colonial masters.

⁴¹ No. 61 of 1966, Cap 218 of Laws of Tanzania

recorded or otherwise reduced to material form.⁴² Protection of work of authorship was restricted to a person who was a resident or domiciled in Tanzania at the time when the work was made.⁴³ Under the Act, the term of protection of copyright was life of author plus 20 years after his death.⁴⁴

In 1994, the government of Tanzania ratified the Berne Convention of 1886 as amended from time to time up to 1979.⁴⁵ The Convention required the state parties to the convention to comply with its provisions. In 1999, therefore, the Copyright and Neighbouring Rights Act⁴⁶ was enacted to comply with the requirements of Berne Convention. The Act applies only in Mainland Tanzania as copyright is not among the matters falling under the umbrella of the union.⁴⁷

2.6 Copyright Protection under the Copyright and Neighbouring Rights Act, 1999

2.6.1 Subject Matter of Copyright

The Act defines copyright to mean the sole legal right to print, publish, perform film or record a literally or artistic or musical work.⁴⁸ It protects **literary** and **artistic** works irrespective of their form of expression, their quality and the purpose for which they were created.⁴⁹ However the Act does not define the terms literary works and artistic works. It only mentions works which may be categorized as literary or artistic works without making distinction between the two⁵⁰. An attempt to differentiate the two has

⁴² Section 3(2) *Ibid*

⁴³ Section 4(1)

⁴⁴ Section 4(2)

⁴⁵ Koyugi, J.O, *Ibid* p.48

⁴⁶ No.7 of 1999, Cap 218 R.E 2002

⁴⁷ In Zanzibar copyright matters are regulated by the Copyright Act, 2003

⁴⁸ Section 4

⁴⁹ Section 5(3)

⁵⁰ Section 5(2). Under the Act literary and artistic works include books, pamphlets and other writings, including computer programs; lectures, addresses, sermons and other works of the same nature; dramatic and dramatico-musical works; musical works (vocal and instrumental), whether or not they include accompanying words; choreographic works and pantomimes; cinematographic works, and other audio-visual works; works of drawing, painting, architecture, sculpture, engraving, lithography and tapestry; photographic works including works expressed by processes analogous to photography; works of applied art, whether handicraft or produced on an industrial scale; illustrations, maps, plans, sketches and three dimensional works relative to geography, topography, architecture or science.

been made by the Kenya Copyright Act of 2001.⁵¹ It provides that artistic work includes paintings, drawings, etchings, lithographs, woodcuts, engravings and prints; maps, plans and diagrams; works of sculpture; photographs not comprised in audio-visual works; works of architecture in the form of buildings or models; and works of artistic craftsmanship, pictorial woven tissues and articles of applied handicraft and industrial art.⁵²

In respect of literary works the Kenya Copyright Act⁵³ provides that, literary works includes novels, stories and poetic works; plays, stage directions, film sceneries and broadcasting scripts; textbooks, treatises, histories, biographies, essays and articles; encyclopaedias and dictionaries; letters, reports and memoranda; lectures, addresses and sermons; charts and tables; computer programs; and tables and compilations of data including tables and compilations⁵⁴ of data stored and embodied in a computer or a medium used in conjunction with a computer. It also differentiates musical works from literary and artistic works.⁵⁵

Copyright also covers derivative works such as translation, adaptations, arrangements and other transformation of literary and artistic works; collections of literary and artistic works, such as encyclopaedias and anthologies; or collections of expressions of folklore and compilation of data or data bases which, by reason of selection and arrangement of their contents constitute intellectual creation; and works inspired by expression of folklore⁵⁶.

Copyright does not extend to include laws and decisions of courts and administrative bodies as well as to official translations thereof; news of the day published, broadcast or publicly communicated by any other means; and any idea, procedure, method of

⁵¹ No.12 of 2001

⁵² Section 2(1) *Ibid*

⁵³ *Ibid*

⁵⁴ See also the case of *Express Newspaper v Liverpool Daily Post and Echo plc* (1983) FSR 651

⁵⁵ *Ibid*. The Copyright Act of Kenya categorizes copyright in to literary works, musical works, artistic works, sound recordings; broadcasts, and audio-visual works. The Act also makes a crystal clear distinction between those categories.

⁵⁶ Section 6

operation, concept, principle, discovery or mere data, even if expressed, described, explained, illustrated or embodied in a work⁵⁷.

2.6.2 Criteria for Copyright Protection

The Act applies to original works of authors or performers who are nationals of Tanzania or who have habitual residence in Tanzania or works originated in Tanzania. It also applies to authors who are foreigners or works originated in foreign country provided that such country provides similar protection to authors who are nationals of Tanzania or works originated in Tanzania.⁵⁸ The authors of original literary and artistic works are entitled to copyright protection for their works under the Act, by the sole fact of the creation of such works⁵⁹. Therefore no registration or application is required.

2.6.3 Ownership and Duration of Copyright

Copyright may be owned by one or jointly by more than one person. It may also be owned by the employee if the work was made under contract of service⁶⁰. The duration for which protection is provided under the Copyright and Neighbouring Rights Act is the same as that provided under the Berne Convention.⁶¹ The general duration of copyright/authors right is life time of the author plus fifty years after his death. If the work is owned jointly (joint authorship), the rights will be protected during the life of the last surviving author and fifty years after his death⁶².

If the work is published anonymously or under a pseudonym the rights are protected for fifty years from the date in which the work was first made available to the public or first published. If the identity of the author is revealed, the general duration of protection will apply. Audiovisual works are protected for fifty years from the date the work was first

⁵⁷ Section 7

⁵⁸ Section 3

⁵⁹ Section 5(1)

⁶⁰ Section 15

⁶¹ Section 14

⁶² See section 14(1) & (2)

made available to the public or first published. Works of applied art are protected for twenty five years from the making of the work⁶³.

2.6.4 The Rights of Copyright Holder

The Copyright and Neighbouring Rights Act provides for two types of rights. These are economic rights and moral rights⁶⁴.

2.6.4.1 Economic Rights

These are exclusive rights of the author to authorise reproduction of the work, distribution of the work, rental of the work, public exhibition of the work, translation of the work, adaptation of the work, public performance of the work, broadcasting of the work and importation of copies of the work.⁶⁵ These rights can be transferred to another person by the author.

2.6.4.2 Moral Rights

Moral rights, unlike economic rights (exclusive rights) which may be transferred, remain with the original creator and affect how subsequent owners deal with the work. These rights include the right to be identified as the author of the work where the work is published commercially, performed in public, including where copies of the work are issued to the public except when the work is included by means of photography, sound or visual recording and broadcasting or distribution by cables. Moral rights also include the right of the author to object and seek relief to any distribution, mutilation any other derogation action which prejudice his reputation.⁶⁶

Other moral rights are the right not to suffer false attribution of a work and the right to privacy in respect of certain films and photographs.⁶⁷

⁶³ Section 14(3), (4) & (5)

⁶⁴ Section 8

⁶⁵ Section 9(1)

⁶⁶ Section 11

⁶⁷ Henry, M *Op cit* p.35

2.7 Transfer of Copyright

The exclusive right of the copyright holder may be transferred to another person by way of licensing, inheritance or through an assignment subject to some conditions.⁶⁸ An author of copyright work may grant exclusive or non exclusive licence to other person(s) to carry out or authorize the carrying out of any of the acts which constitute his economic right. Usually moral rights are not transferable.⁶⁹

An exclusive licence entitles the licensee to carry out the act concerned to the exclusion of all others, including the author or other owner of copyright. Non-exclusive licence entitles the licensee to carry out the act concerned concurrently with the author or other owner of copyright and concurrently with any other possible non-exclusive licensees.⁷⁰

2.8 Infringement of Copyright

Copyright of a work is infringed if any person does any of the acts which are restricted by copyright or authorizes another to do so without the permission of the copyright holder or other authorized person.⁷¹ It occurs where a whole work or a substantial part of it is used without consent to carry out one of the exclusive rights of the copyright holder. However many infringement cases will not involve reproduction of the entire copyright work but just a substantial part.

No general test of substantiality. What constitutes a substantial part depends on the facts of each case. It is to be judged qualitatively but not quantitatively. In the case of *Ladbroke (football) Ltd v William Hill (football)*⁷², Lord Pearce said that:

“Whether a part is substantial must be decided by its quality rather than its quantity. The reproduction of a part which by itself has no originality will not normally be substantial part of the copyright and therefore will not be protected”.

⁶⁸ Sections 16 & 17 *Op cit*

⁶⁹ Some Copyright laws of other countries expressly provide that moral rights can not be transferred. Example section 9(1) of Ghana Copyright Act of 2005

⁷⁰ Section 17(2)

⁷¹ *Ibid*

⁷² [1964] 1WLR 273 p.293

In the case of *Hawkes & Sons (London) Ltd v Paramount Film Service Ltd*⁷³, the court held that twenty eight bars of musical piece were a reproduction of substantial part of that musical piece because those twenty eight bars were so recognisable.

The question of substantiality is, therefore, taken by courts as referring to the quality of what has been taken rather than its quantity in proportion to the whole.

Copyright infringement is of two types: primary infringement and secondary infringement. The infringement is primary where a person other than copyright holder performs one of the exclusive rights (economic rights) of the copyright holder without the consent or authorization of the copyright holder or of the law. The infringement is secondary where a person provides facilities for infringing the exclusive rights or assists the making or distribution of infringing copies.

2.9 Remedies

Any infringement of copyright attracts both civil sanctions and criminal penalties. The person who alleges that his right has been infringed (herein referred as the injured party), in order to prove an infringement must establish that he is the owner of the copyright and that the copying of his work did actually occurred. He must also prove damages suffered by reason of such copying.⁷⁴ In a civil suit the injured party may claim the following remedies: an injunction to prevent the infringement or to prohibit the continuation of the infringement and payment of any damages suffered in consequence of the infringement.⁷⁵ The injured part may also require destruction of copies that have been unlawfully manufactured or distributed or copies which are intended for unlawful distribution, destruction of equipments which were destined exclusively for the unlawful production of copies⁷⁶ and delivery to him the infringed copies and infringing equipment in whole or in part⁷⁷.

⁷³ (1934) Ch 593

⁷⁴ Davis, G.G (1985), **Software Protection**, p.57

⁷⁵ Section 36(1)

⁷⁶ Section 38

⁷⁷ Section 39

With respect to criminal sanctions, any person who intentionally infringes the rights of copyright holder on a commercial basis is liable to fine or imprisonment or both⁷⁸. The offender if commits the offence for the first time he will be liable to sentence for a fine not exceeding five million shillings or imprisonment for a term not exceeding three years or both.

2.10 Defences and Limitations

The exclusive rights of the copyright holder are not absolute. There are circumstances where the use of copyrighted work without the consent of the copyright holder will not amount to copyright infringement.⁷⁹ This is where the use of copyrighted work is within the meaning of fair dealing/fair use.

Fair use is the right to use copyrighted material without permission or payment under some circumstances, especially when the cultural or social benefits of the use are predominant. It is a general right that applies even—and especially—in situations where the law provides no specific statutory authorization for the use in question. There are several factors which may be considered in determining whether the use of the work is fair use or not.⁸⁰ These factors include the purpose and the character of the use, including whether such use is of a commercial nature or is for non profit educational purpose and the nature of copyrighted work. Other factors are the amount and substantiality of the portion used in relation to the copyrighted work as whole and the effect of the use upon the potential market for or value of the copyrighted work.⁸¹

Generally copyrighted work is used for fair dealings if the work is used for purpose of scientific research or private study, criticism or review or reporting of current events and if the copyrighted work is used for purpose of face-to-face teaching activities.

2.11 Protection of Folklore against Illicit Exploitation

⁷⁸ Section 42

⁷⁹ Section 12

⁸⁰ Nimmer, M.B (1979), **Copyright and Other Aspects of Law Pertaining to Literary, Musical and Artistic Work Illustrated**, p.382

⁸¹ *Ibid*

The Copyright Act also protects expression of folklore against illicit exploitation. Folklore is a term which refers to the collective oral traditions and beliefs of a culture. It encompasses myths, legends, jokes, proverbs, tall tales, fairy tales, superstition, and of course folktales. It is the traditional beliefs, practices, customs, stories, jokes, songs, dances and art forms of a people, handed down orally or behaviourally from individual to individual. The Copyright Act defines expression of folklore to mean production consisting of characteristic elements of the traditional artistic heritage developed and maintained over generations by a community or by individuals reflecting the traditional artistic expectations of their community.

Under the Act the expressions of folklore protected include folk tales, folk poetry, riddles; folk songs and instrumental folk music; folk dances, plays and artistic forms of rituals; production of folk art, in particular, drawings, painting, carvings, sculpture, pottery, terracotta; mosaic, woodwork, metalware, jewellery, baskets, costumes; and traditional musical instruments⁸². Where utilisations of the expression of folklore are made both with gainful intent and outside their traditional or customary context, then any application, reproduction and distribution of copies of such or communication to public, including recitation, performance, broadcasting or distribution by cable, of such expressions of folklore must be authorised by the competent authority⁸³.

2.12 Neighbouring Rights

The term neighbouring rights (also often referred to as related rights) is usually understood to mean rights that protect the interests of certain groups of right holders, whose activities in most cases relate to the reproduction and dissemination of works, such as:

- Performers;
- Producers of sound recordings;
- Broadcasting organizations.

⁸² Section 24

⁸³ Section 25

Protection under neighbouring rights is similar to copyright, although it is often more limited and of shorter duration⁸⁴. The labelling as ‘neighbouring/related’ indicates some degree of relationship between these rights and copyright, and at the same time distinguishes them from the latter.

Section 35 of the Act illustrates circumstances where the use of the work protected as neighbouring rights is for reporting current event, scientific research or face-to-face teaching activities.

2.13 THE COPYRIGHT SOCIETY OF TANZANIA (COSOTA)

2.13.0 Introduction

It is impracticable for an individual copyright owner to monitor all uses of his works for instance to contact every radio station, television station or discotheque to negotiate on licences and remuneration for the use of such works. The same to the users of such works: It is not possible for example a radio station to contact each and every author of a copyright work in order to negotiate on licences and remunerations for the use of such works. On the other hand it is much more convenient if a user of copyright material can negotiate a single licence with respect to a range of works rather than having to agree separately with all the individual owners.⁸⁵ This need led to the establishment of the Copyright Society of Tanzania (COSOTA).

COSOTA is a statutory body established under the Copyright and Neighbouring Rights Act, 1999, to enable artists, authors and performers collectively manage their rights.⁸⁶ It is a corporate body with perpetual succession; common seal and can sue or be sued on its own name. COSOTA is composed of board members appointed by the Minister responsible for copyright each from the following government departments: Commission of Culture; the National Arts Council; the office dealing with Industrial Property; Film Markers Association; National Museum of Tanzania; School of law (formerly Faculty of

⁸⁴ See sections 31(4), 32(2) and 34(2)

⁸⁵ Bainbridge, D.I, Op cit *p.101*

⁸⁶ Section 46

Law) of the University of Dar es Salaam; the Attorney Generals Chambers; the Tanzania Authors Association; the Tanzania Broadcasting Commission; and the Customs Department.⁸⁷

The board has a chairman appointed by the minister from among the board members. The chairman is assisted by a vice-chairman appointed by the board members.⁸⁸ The board ordinarily meets at least four times a year. An extra ordinary meeting may be convened at any time by the chairman or vice chairman⁸⁹. The board is vested with the overall management of COSOTA. The day to day activities of COSOTA are carried out by a management structure set up by the board.

2.13.1 The Functions and Powers of COSOTA

The functions and powers of COSOTA are statutorily provided⁹⁰, these are: to promote and protect the interests of authors, performers, translators, producers of sound recording, broadcasters, and publishers. In exercising this function, COSOTA is vested with powers to determine minimum rates of royalties to be levied, collect and distribute royalties made in respect of uses of the works registered by it.

COSOTA is vested with powers to licence public performances of copyrighted works in clubs, hotels, restaurants, saloons, air port, supermarket, shops, and public reception of radio or television broadcast. All royalties which are collected from these sources are distributed to members of COSOTA.⁹¹

COSOTA has power to sue any person who infringes the rights of artists.⁹² For example in 2007 COSOTA instituted a civil case against Billcanas Club⁹³ claiming royalties for the

⁸⁷ Paragraph 1(1) of the Schedule to the Act

⁸⁸ Paragraph 6

⁸⁹ *Ibid*

⁹⁰ Sections 47 and 48 of the Copyright and Neighbouring Rights Act.

⁹¹ According to Maureen, E.F, COSOTA Legal Officer and Advocate on interview held on 30th June 2012 at COSOTA headquarters. even the artists who have not registered with COSOTA are allocated with the distribution if it is shown that their works were performed in respect of the royalties collected.

⁹² Civil Cause No. 143 of 2007, RMC at Kisutu (Unreported)

⁹³ Other cases instituted by COSOTA in 2007 include *COSOTA v Peacock Hotel*, Civil Cause No. 55 of 2007, Ilala Distric DSM (Unreported), *COSOTA v Golden Rose Hotel*, Civil Cause No. 23 of 2007, RMC at Arusha

works (registered by COSOTA) used by the said club. The Resident Magistrate Court of Kisumu (Dar es Salaam) ordered the club to pay Tsh 3.9 million.

COSOTA is also vested with powers to authorise the production, distribution or importation for distribution sound recordings or audio-visual recordings in Tanzania. Any person who wants to produce or distribute or import for distribution of sound recordings or audio-visual recordings must apply for the licence to COSOTA.⁹⁴ If any person, therefore, produces or distributes or offers to distribute the above said works without valid license from COSOTA, the society is authorized to seizure and to destroy copies of such work.⁹⁵

COSOTA is vested with powers to train and sensitise its members, institutions and public at large on copyright matters. In executing this power, COSOTA may print, publish issue or circulate any information, report, periodical, books, pamphlet, leaflet or any other material relating to copyright and rights of performers, producers of sound recordings and broadcasters.⁹⁶

COSOTA is required by the law to maintain registers of works, productions and association of authors, performers, translators, producers of sound recordings, broadcasters and publishers.⁹⁷ This is important because protection under COSOTA is not automatic. For an artist to be accorded protection, he must register himself and his works with COSOTA.

2.14 How is a Copyright Work Protected Internationally?

Copyright is a genuinely national law, in other words, each country is, in principle, free to determine the extent of protection it will apply within its own borders, unless it is

(Unreported), and *COSOTA v Durban Hotel*, Civil Cause No. 144 of 1997, RMC at Kisumu (Unreported). In all the above cases the court awarded COSOTA remedies for the works which were used without paying required royalties.

⁹⁴ The applications are made through forms which are provided in the schedule to the Copyright and the Neighbouring Rights (Production And Distribution of Sound and Audiovisual Recordings) Regulations, G.N No. 18 of 2006

⁹⁵ Regulations 5, 6 and 7 *Ibid*

⁹⁶ Section 48 (h) of Cap 218

⁹⁷ Up to 2011, COSOTA had about 1800 registered members (Naomi, Mungurue, Principal Copyright Licensing Officer on an interview conducted on 30th April, 2012.)

bound by an international instrument. The international agreements that have come into existence since the 19th century provide a certain degree of harmonization of protection in all signatory countries. The most important conventions are:

- The Berne Convention for the Protection of Literary and Artistic Works of 1886 (last revised in 1971)
- The Universal Copyright Convention of 1952 (last revised in 1971)
- The International Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organisations of 1961 (often referred to as Rome Convention)
- The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs Agreement) of 1994
- The WIPO Copyright Treaty of 1996 (WCT)
- The WIPO Performances and Phonograms Treaty of 1996 (WPPT)

Today, most countries of the world adhere to at least one of these treaties. All of these instruments ensure that in every signatory state, foreign authors enjoy the same rights as national authors (according to the principles of ‘national treatment’ and ‘non-discrimination’), and provide for certain minimum standard of protection regarding, among other things, scope and duration. Regional instruments

TOPIC THREE

INDUSTRIAL PROPERTY

3.0 Introduction

The broad application of the term “industrial” is clearly set out in the *Paris Convention for the Protection of Industrial Property* (Article 1 (3)): “Industrial property shall be understood in the broadest sense and shall apply not only to industry and commerce proper, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers, and flour.” Industrial property takes a range of forms. These include patents to protect inventions; and industrial designs, which are aesthetic creations determining the appearance of industrial products. Industrial property also covers trademarks, service marks, layout-designs of integrated circuits, commercial names and designations, as well as geographical indications, and protection against unfair competition⁹⁸. Generally industrial property may be defined to mean assets created primarily for the advancement of technology, industry and trade such as patents (inventions), industrial designs, trademarks, service marks, trade secrets and geographical indications of origin⁹⁹.

In our study we will cover patent, trade and service mark, geographical indication, trade secret and industrial design

3.1 Patent

Technological development is among important factors for development in the society. The introduction of new technology into an economy fosters considerable economic growth and enhances social welfare of the people. The producers or the inventors of such technologies, by a way of patent, are given exclusive rights to decide on the use of their inventions for a specific period of time.

⁹⁸ WIPO, *Understanding Industrial Property*, at pg 4 - 5

⁹⁹ WIPO, *Patent Drafting Manual*, at pg 6

Until the end of nineteenth century patent protection was strictly a national matter.¹⁰⁰

This means that, each state had sovereign to decide on which inventions to protect. The state therefore was free to exclude certain types of inventions which were regarded as essential either for social or economic development. However states with many patent laws demanded for codification of patent law in international treaties.

The creation of international legal instruments on patent protection not only brought about universality on patent protection but also made patent protection an international obligation. For example the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement)¹⁰¹, requires each member country including Tanzania¹⁰² to provide exclusive marketing rights to holders of patents.

3.1 The Meaning of Patent

Patent is a monopoly granted by statute of a country for a limited term over a new and useful invention that involves inventive step.¹⁰³ It is one of the categories of intellectual property¹⁰⁴ which gives the inventor an exclusive right for an invention, which is a product or a process that provides a new way of doing something, or offers a new technical solution to a problem.¹⁰⁵ The rights enjoyed by owner of the patent are proprietary in nature and the patentee or his agent or licensees has the exclusive right to use and have the benefits of patented invention and prevent unauthorized use, during the period of patent protection.

¹⁰⁰ Sell, S.K, *Private Power Public Law: The Globalization of Intellectual Property Rights*, in Cambridge Studies in International Relations, p.10, available at http://international-ul.com/pdf/ebook/1/_Uyz13PfFMbDE.pdf, last retrieved on 12th May 2012

¹⁰¹ The Agreement is an annex (Annex1C) to the Agreement Establishing the World Trade Organisation (WTO). The WTO was established in 1st January 1995

¹⁰² Tanzania is a founding Member of the WTO, having signed the Final Act of the Uruguay Round and the Marrakesh Agreement on 15 April 1994 (source: http://www.wto.org/english/tratop_e/tpr_e/tp128_e.htm, last retrieved on 9th May, 2012)

¹⁰³ Under TRIPS Agreement, the minimum term of patent protection is twenty years from the date of filing (see Article 32 of TRIPS Agreement)

¹⁰⁴ Other categories of intellectual property are copyright, trade mark and industrial design.

¹⁰⁵ WIPO, **What is a patent?**, available at http://www.wipo.int/freepublications/en/patents/450/wipo_pub_1450pa.pdf, last retrieved on 9th may 2012, See also WIPO, **What is Intellectual Property**, available at http://www.ip.unilink.net/public_documents/What%20is%20Intellectual%20Property..pdf, last retrieved on 25th January 2012 p.5

Patent may also be defines as a legal document granting its holder the exclusive right to control the use of an invention, as set forth in the patent's claims, within a limited area and time by stopping others from, among other things, making, using or selling the invention without authorization¹⁰⁶. Patent may also be sought and granted to anyone who invents or discovers and asexually reproduces any distinct and new variety of plant.

Patent may be granted to an invention (invention patent) or utility model (utility model patent)¹⁰⁷. Utility models are found in the laws of various countries, as well as in the regional agreements of the African Regional Industrial Property Organization (ARIPO) and the Organisation Africaine de la Propriété Intellectuelle (OAPI)¹⁰⁸. The expression “utility model” is simply a name given to a title of protection for certain inventions, such as inventions in the mechanical field. Utility models are usually sought for technically less complex inventions or for inventions that have a short commercial life. The procedure for obtaining protection for a utility model is usually shorter and simpler than for obtaining a patent¹⁰⁹.

Patents are “territorial;” they have effect only in countries where they have been applied for and granted. Each country has the sovereign right to grant or refuse to grant patent applications. In a few instances such as regional groupings, groups of nations have agreed by treaty to provide for common examination of patent applications. Some countries have also agreed by treaty to accept patents granted by other nations.

Patent proprietorship is primarily granted to the inventor, or joint inventors, except where someone else has a better entitlement to it.¹¹⁰ Example; where an inventor is commissioned to produce an invention to overcome a particular problem, the patent will be granted to a person who commissioned the inventor. An invention made by an

¹⁰⁶ WIPO, *Op. cit.* Note 97

¹⁰⁷ In some countries, patent also covers industrial design. Example US and China.

¹⁰⁸ WIPO, *Understanding Industrial Property*, at pg 8

¹⁰⁹ *Ibid.*

¹¹⁰ Bainbridge, D.I, **Intellectual Property** (6th edition) p.424

employee is taken to belong to his employer if it is proved that the invention was made by an employee in the course of the employee's normal duties as an employee.¹¹¹

In the case of *Electrolux v Hudson* (1977) FSR 312, Hudson was employed as a senior storekeeper for the electrical manufacturer, Electrolux. In his spare time Hudson and his wife invented an adaptor for the vacuum cleaner taking disposable bags. Electrolux, whose products included vacuum cleaners, claimed to be the owners of the resulting patent. The clause was based on a term Hudson's contract of employment that stated that, everything invented or any process ascertained or discovered, in relation to any of the Electrolux's products in the UK or elsewhere had to be disclosed to Electrolux and any such invention or process would belong to Electrolux. The court dismissed the claim of Electrolux holding that the clause was too wide even to cover a person employed to research and invents and, on common law rules of restraint of trade, was more than was necessary to protect the employer's legitimate business interests. The court further stated that the validity of any clause concerning patent ownership would depend on the type of work done by the employee. Hudson was employed as a store keeper. It was not his responsibility to invent¹¹².

A patent resulting from an invention devised by an employee belongs to the employee if:

- (a) It was made in the course of normal duties of the employee or in the course of duties falling out of his normal duties, but specifically assigned to him, and the circumstances in either case were such that an invention might reasonably be expected to result from the carrying out of his duties; or
- (b) The invention was made in the course of the duties of the employee and, at the time of making the invention, because of the nature of his duties he had a special obligation to further the interests of the employer's undertaking¹¹³.

¹¹¹ *Ibid* p.426

¹¹² Cited in Hart T., *Op. Cit* at pg 44. See also *Greater Glasgow Health Board's Application* (1996) RPC 207 and *LIFE Administration and Management v Pavel Pinkawa* (2007) EWCA Civ. 207

¹¹³ See Hart, *Ibid.*, at pg 45

After a patent has been granted for an invention, the invention becomes the property of the inventor, which like any other form of property or business asset can be bought, sold, rented or hired.

3.2 Patentable Subject Matter

The TRIPS Agreement provides that patents shall be available for any inventions, whether products or processes, in all fields of technology including health sector, provided that they are new, involve an inventive step and are capable of industrial application.¹¹⁴ From the words of the Agreement, there are three important qualifications for any invention to acquire patent. The invention must be new (novelty), it must involve inventive steps and must be capable of industrial application (useful invention or process)

Novelty

Novelty is one of the most important patentability requirements. It lies at the heart of the patent system. An invention must be new. In other words, the invention must not be in public use or known by others. In most countries the invention must be new at the time of the patent application's filing, while in some other countries such as the US, the invention must be new at the time of its creation. A prior patent or publication of the same invention will defeat novelty (prevent a patent from being issued or invalidate it later). Basically, if an invention is not new, it is not patentable¹¹⁵.

The invention is new if it has never been made public in any way, anywhere in the world, before the date on which an application for a patent is filed. Everything available to the public before the filing date is considered as part of prior art.¹¹⁶ A person applying for patent may, therefore, be denied if it is proved that the invention for which the

¹¹⁴ Article 27(1)

¹¹⁵ WIPO, *Op. Cit.*, Note 97 at pg 20

¹¹⁶ Losse K, *et al*, (2007), *Trade Related Aspects on Intellectual Property Rights: The Viability of Local Pharmaceutical Production in Tanzania*, a Study Commissioned by Federal Ministry for Economic Cooperation and Development, available at <http://www2.gtz.de/dokumente/bib/07-0300.pdf>, last retrieved on 12th may 2012. Material is available to the public if it is available anywhere in the world published material is clearly available to the public. It does not matter whether the publication was done by the by the inventor himself. Thus, even if the relevant information is contained in a journal it will be deemed available to the public.

patent is applied for was known or used before the invention thereof¹¹⁷ or the invention was patented in another country other than the country in which the application is made.¹¹⁸ Also the invention is not new if at the time of application the invention was already described in a printed publication or the invention is described in a pending application.

In the case of *Qualcomm Inc v Nokia Corporation* (2008) EWHC 239, Qualcomm claimed that Nokia's sale of headsets for mobile telephones infringed their European patents. The first patent was for a complete system of apparatus comprising a base station which affected the transmission timing. The inventive concept in the second patent was the radio circuit and corresponding power correction and limitation methods. In response Nokia argued that the claim in issue of the first patent was completely anticipated by an earlier publication and a Japanese patent. The court found the first patent invalid for lack of novelty and obviousness. The earlier publication comprised a signal sent between a base station and a mobile in order to change modes, while the Japanese patent also included the sending of signals between a mobile and a receiver. Thus such information was sufficient to anticipate the claim in issue¹¹⁹.

It is, therefore, important that a person who has made an invention not to disclose the invention or put it in to public use unless he has applied for the patent.¹²⁰ If the inventor discloses his invention before he acquires the patent he may lose his right to monopolise the invention. The inventor of the invention is therefore advised to file for the patent without delay. The reasons are that another party may independently invent the same product or process and publish it, or he may file first for the patent.¹²¹

¹¹⁷ *Bedford v Hunt*, 3Fed. Cas. 37, 39 (C.C.D Mass.1817)

¹¹⁸ Schlicher, J.W, **Patent Law: Legal and Economic Principles**, p.4-2

¹¹⁹ Hart T., *Op. Cit.*, at pg 27

¹²⁰ *Pennock v Dialogue*, 27 U.S 1 [1829]

¹²¹ Caenegem, W, **Intellectual Property Law and Innovation**, p.80

If there are two original and independent inventors, the first inventor to apply is entitled to the right.¹²² The second is barred because the invention is no longer new because of the application already made. In the case of *Reed v Cutter*¹²³ the court held that:

A subsequent inventor, although an original inventor is not entitled to any patent. If the invention is perfected and put in to actual use by the first and original inventor, it is of no consequence, whether the invention is extensively known or used, or whether the knowledge or use is limited to a few persons, or even the first inventor himself.

Industrial Applicable

In order to be patentable an invention must be useful. In patent language this is called “utility” in some jurisdictions or “industrial application” in other jurisdictions. A patent will not be granted if the invention cannot perform its designated function. The historical justification of the utility requirement is to ensure that society receives a positive benefit before granting an exclusive right to an applicant or inventor.

Invention which is not capable of industrial application can not be protected under patent law. This means that the invention must take the practical form of an apparatus or device, a product such as some new material or substance or an industrial process or method of operation.¹²⁴ Patent is granted for an invention which may be applied to some beneficial use of the society. In the case of *Bedford v Hunt*¹²⁵, Justice Story described what amount to a useful invention. The justice provided that:

“By useful invention..... is meant such as one as may be applied to some beneficial use in the society, in contradiction to an invention, which is injurious to the morals, the health, or the good order of the society. It is not necessary to establish that the invention is of such general utility as to supersede all other inventions now in practice to accomplish the same purpose..... if its practical utility be very limited, it will follow, that

¹²² *Bedford v Hunt*, 3Fed. *Op cit*

¹²³ 20Fed. Cas. 435, 437-38 (C.C.D Mass.1841) cited in Schlicher, J.W, *Op cit* p.4-32

¹²⁴ **What is a Patent?**, available at http://www.aripo.org/index.php?option=com_content&view=article&id=23&Itemid=58, last retrieved on 9th may 2012

¹²⁵ *Op cit*

it will be of little or no profit to the inventor; and if it be trifling, it will sink in to utter neglect. The law, however does not look to the degree of utility, it simply requires that it shall be capable of use and that the use is such as sound morals and policy do not discountenance or prohibit."¹²⁶

Therefore it is likely that patents cannot be obtained for inventions that are contrary to the "*ordre public*" or "immoral." For example, inventions relating to a device for ingesting an illegal narcotic (e.g. an opium pipe) might be un-patentable on moral grounds.

Inventive Step

The third requirement for patentability is non-obviousness. In some countries this requirement is referred to as an "inventive step." Non-obviousness requires that an invention must not have been obvious to one of ordinary skill "in the art" (the scientific/technical field of the invention). Basically, obviousness means that something cannot be patentable when any person of average skill in the relevant scientific/technical field could put together different pieces of known information and from them arrive at the same result¹²⁷.

An invention involves an inventive step if, when compared with what is already known, it would not be obvious to someone with a good knowledge and experience of the subject.¹²⁸ In other words, a patent will be denied where the subject matter as a whole is obvious at the time the invention was made to a person having ordinary skill in the art to which the said subject matter pertains.¹²⁹ Discoveries cannot be patented because they

¹²⁶ Article 27(2) of TRIPS Agreement allows the Members to exclude from patentability inventions, the prevention within their territory of the commercial exploitation of which is necessary to protect *ordre public* or morality.

¹²⁷ WIPO, *Op Cit.*, Note 97, at pg 22.

¹²⁸ **What is a Patent?**, *Op cit*

¹²⁹ Schlicher, J.W, *Op cit* p.5-2. See also the case of *Technograph Printed Circuits Ltd v Mills and Rockley (Electronics) Ltd* (1972) RPC 346

do not involve any inventive step.¹³⁰ Patent also does not extend to scientific truth¹³¹, laws of nature, and products of nature¹³².

While making a determination regarding non-obviousness there are three things that a patent examiner will likely consider:

- i. the scope and content of the prior art references;
- ii. the differences between the prior art and claimed invention; and
- iii. the level of skill of someone of ordinary skill in the art¹³³.

3.3 Importance of Patent Protection

Patent protection stimulates and fundamentally underpins the continued research and development for new and better products or process such as medicines. Patents are a key incentive to the private sector to undertake the cost of inventing a new product or process. It is argued that innovative research and development cost a lot of money. Inventors could not incur such cost if they were to receive nothing.

Patent protection further leads to technology transfer and knowledge dissemination.¹³⁴ If inventors were not to be rewarded for their labour and cost they devote in inventing a new product or process, it is possible that, they could not disclose the results of their research. But as patent rewards them, the disclosure not only leads to the transfer of technology and dissemination of knowledge, but also encourages innovation, which assures that the quality of human life is continuously enhanced.¹³⁵

¹³⁰ Caenegem, W, *Op Cit* p.83. See also the case of *Funk Bros. Seed Co. v Kalo Co.* 333 US 127[1948]

¹³¹ *Mackey Co. v Radio Corp.* 306 U.S 86 at p.94 [1939] cited in Schlicher, J.W, *Op cit* p.3-17

¹³² *Fruit Growers Inc. v Brogdex Co.* 283 U.S 1, 6-14 [1931], cited in Schlicher, J.W, *Op cit* p.3-24

¹³³ In the case of *Windsurfing International Inc. v Tabur Marine (GB) Ltd* (1985) RPC 59 at pg 73 – 74, Oliver LJ suggested the steps to establish whether an invention is obvious or not. The steps are (1) identify the inventive concept embodied in the patent; (2) import to a normally skilled, but unimaginative, addressee what had common general knowledge in the art at the priority date; (3) identify the differences, if any, between the matter cited and the alleged invention; and (4) decide whether those differences, viewed without any knowledge of the alleged invention, constituted steps that would have been obvious to the skilled man or whether they required any degree of invention. (Source Hart T., *Op. Cit.*, at pg 34)

¹³⁴ Adusei, P, *Regulatory Diversity as Key to the Myth of Drug Patenting in Sub-Saharan Africa*, in *Journal Of African Law*, Volume 54, Number 1, 2010 p.26

¹³⁵ WIPO, *Op cit* p.5

Patent protection also provides incentives for the advancement of indigenous knowledge and innovation. It also creates wealth and spurs economic growth and development.¹³⁶

To this, Paul Martin once stated that:¹³⁷

*“Today, the strength of a nation is measured not by the weapons it wields, but by the patents it produces; not by territory it controls, but by the idea it advances; not only by the wealth of its resource, but by the resourcefulness of its people. In such a world, successful nations will only be those that foster a culture of innovation”*¹³⁸

3.4 The Rights of Patent Owner

Patent, unlike copyright, does not confer automatic rights to the inventor. A person therefore wishing to protect his invention under the patent laws must file an application for patent. The application will normally include description, one or more claims, abstract and drawings if any. The description must disclose the invention in a clear and complete manner for the invention to be carried out by a person skilled in the art and in particular to indicate the best mode for carrying out the invention.¹³⁹

The claim describes particularly and distinctly what the author regards as the invention.¹⁴⁰ The claim must be defined unambiguously, and in accordance with the description. Depending on the nature of the invention, claims may be for a product, an apparatus, a process or a use.

Generally patent confers on the patentee the exclusive rights to make, use, sell or distribute the invention usually for a period of twenty (20) years.¹⁴¹ Where the subject matter of a patent is a product, the patentee is conferred exclusive right to prevent third parties not having the owner’s consent from the acts of making, using, offering for sale,

¹³⁶ Aducci, P, *Op cit* p.26

¹³⁷ The then Canadian Minister for Finance.

¹³⁸ Paul Martin, in his budget speech on 28th February 2000, cited in Aducci P, *Op cit* p.27

¹³⁹ Article 5 of Patent Cooperation Treaty of 1970, amended on September 28, 1979, modified on February 3, 1984, and on October 3, 2001

¹⁴⁰ Schlicher, *Ibid* p.7-3

¹⁴¹ Article 33 of TRIPS Agreement; the Paris Convention for Protection of Industrial Property, unlike TRIPS Agreement, did not provide for minimum standards or minimum term for protection of patent. It stipulated a vast legislative freedom for each country and only required the equal treatment of nationals and foreigners

selling, or importing the patented invention for purposes of making, selling, using or distributing.¹⁴² If the subject matter of the patent is a process, the patentee is conferred exclusive right to prevent third parties without the consent of the owner from the act of using the process, selling, offering for sale, or importing for these purposes the product obtained directly by that process.¹⁴³

The Patent owner also has the right to assign the patent, transfer the patent by way of succession, and to conclude licensing contracts.¹⁴⁴ Thus, a patented medicine may only be produced, sold, or imported by the patent holder or with his authorization. Any person wishing to produce or import the patented medicine is, therefore, obliged to seek a license from the patent holder.

The patent holder is required to work the patented invention and in connection with the license contracts and contracts assigning patents, to refrain from making abusiveness.¹⁴⁵

3.5 The Patent Legal Regime in Tanzania

Patent is not among union matters. There are therefore two different regimes regulating patent matters in Tanzania; one for Zanzibar and the other for Mainland Tanzania (the then Tanganyika).¹⁴⁶

The history of legal regime for the protection of patents in Mainland Tanzania is traced back to the time of colonialism. The first patent law was, the Patent (Registration) Ordinance¹⁴⁷ which was enacted in 1931. Under the Patent Ordinance, the patent office had no mandate to grant new patents. Its powers were restricted to registering of patents granted in United Kingdom (UK).¹⁴⁸

¹⁴² Article 28(1) (a) of TRIPS Agreement, *Op cit*

¹⁴³ Article 28(1) (b), *Ibid*

¹⁴⁴ Article 28(2) *Ibid*

¹⁴⁵ CINS –AAF, Manual for Patent: How to Protect Traditional Medicinal Knowledge in Tanzania, available at http://www.tanzaniabiodiversity.com/archivio/html/File/MANUAL%20FOR%20PATENT_FINAL%20VERSION.pdf, last retrieved on 12th May 2012

¹⁴⁶ In Zanzibar, patent is regulated by the Industrial Property Act of 2009

¹⁴⁷ Cap 217 of Laws of Tanzania

¹⁴⁸ Mahingila, E, *Intellectual Property Landscape in Tanzania: The Emerging Role of the Business Registration and Licensing Agency (BRELA) in Assisting Small Medium Enterprises Use Intellectual Property*, a paper presented WIPO workshop on intellectual property for business for Small and Medium-sized Enterprises (SMES) in Dar es

It can be said that the colonial administration did not intend to protect or encourage innovations by Tanganyikans. Therefore, the objective of the Patent Ordinance was mainly to protect the rights of the foreign subjects who came and settled in the then Tanganyika and the national of the colonial power and of its allies. Patent therefore had no value to indigenous Tanganyika. This same position was maintained even after independence.

The Patent (Registration) Ordinance was repealed and replaced by the Patent Act of 1987.¹⁴⁹ The Patent Act came in to force on first September 1994. The specific features of the new Act include the independence of the Patent office to grant new patents instead of only registering UK granted patents which was the case the Patent Registration Ordinance regime.¹⁵⁰

Apart from enactments of the parliament, the patent regime in Tanzania is further shaped by bilateral and multilateral agreements in which Tanzania is a party thereto. These include the Agreement on Trade-Related Aspects of Intellectual Property Rights, 1994¹⁵¹, the Paris Convention, 1883¹⁵² and the Patent Cooperation Treaty, 1970.¹⁵³

3.6 Patent Protection under the Patent Act, 1987

The Patent Act of 1987 set up an independent patent system for Tanzania, to extricate the country from the former patent system which was directly linked to the British patent system. The Act established a Patent Officer whose functions are, *inter alia*, to grant patents under the Act and promote inventiveness among nationals of Tanzania.¹⁵⁴ Under the Act, patent is granted to an invention if it is new, involves an inventive step, is

Salaam on May 10 and 11, 2005, available at http://www.wipo.int/edocs/mdocs/sme/en/wipo_ip_dar_05/wipo_ip_dar_05_www_78437.pdf, last retrieved on 12th May 2012

¹⁴⁹ Cap 217 R.E.2002

¹⁵⁰ Mahingila, *Op cit*, at p.3

¹⁵¹ Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization.

¹⁵² Effective for Tanzania as from 16 June 1963

¹⁵³ Effective for Tanzania as from 14 September 1999. Tanzania has also ratified World Intellectual Property Organization Convention, 1967 (effective for Tanzania as from 30 December 1983); Agreement on the Creation of the African Regional Industrial Property Organization (ARIPO), 1979 (effective for Tanzania as from 12 October 1983); and The Protocol on Patent and Industrial Designs within the Framework of African Region Industrial Property Organization (the Harare Protocol), 1982 (effective for Tanzania as from 01 September 1999);

¹⁵⁴ Section 5 *Ibid*

industrially applicable¹⁵⁵ and if the public order or morality does not prohibit the exploitation of such invention.¹⁵⁶ Plant or animal varieties or essentially biological processes for the production of plants or animals, other than microbiological and the products of such processes; schemes, rules or methods for doing business, performing purely mental acts or playing games; discoveries, scientific and mathematical theories; and mere presentation of information are not regarded as inventions under the Act, and therefore can not be patented.¹⁵⁷ Further a scientific theory or mathematical method is not patentable.

3.7 Duration of Patent

The Act provides for a term of ten (10) years for patent protection.¹⁵⁸ The term may be extended for five years more if the patent owner proves that the invention is worked in Tanzania or that there are legitimate reasons for failing to work the invention.¹⁵⁹ When the patent term expires, it falls to public domain so that others are free to copy the product or the process.

3.8 Dealing with Patent

Patents are personal property and accordingly may be assigned, mortgaged and transferred as part of person's estate. Patents may be licensed or inherited. All these transactions must be in writing and signed by both parties. When a patent has been transferred the new owner should register his interests. Where the patent is owned by two or more persons each of them is entitled on his own behalf to do any of the acts in respect in respect poof the patent.

3.9 Procedures of Obtaining Patent

¹⁵⁵ Section 8 *Ibid*

¹⁵⁶ Section 12 *Ibid*

¹⁵⁷ Section 7 *Ibid*

¹⁵⁸ Section 38 (1) *Ibid.* under the TRIPS Agreement members are required to grant patent for a term not less than 20 years. However for least developed countries including Tanzania, have been allowed a period of transition of 10 years to bring their intellectual property law completely into line with the rules of the TRIPS agreement. Tanzania was therefore required to have it new law which complies with TRIPS Agreement by 2006.

¹⁵⁹ Section 38(2)

Application

Patent, unlike copyright is not automatic. A person wishing to obtain patent (a person who wishes his invention to be protected by patent laws) must file an application to the relevant authority. Patent application is in many ways like a contract. Writing a high-quality patent application is important because it sets out in a clear fashion the terms by which the patent owner and others will be bound.

The date on which an application is filled is called the priority date and the duration of the patent is calculated from that date. Establishing priority is important for two reasons; novelty is judged by considering the state of the art at that date. So invention must not have been anticipated at that date. Second any person who in good faith had prior to that date been committing what would otherwise be an infringing act may continue to engage in those activities after the patent has been granted, although such prior use may invalidate the application¹⁶⁰.

A person (whether foreigner or resident) who is wishing to be granted with patent under the Patent Act must make an application to the registrar of patents. The application must include a request, description, one or more claims and, drawings if any an abstract.¹⁶¹ A patent application should also include the names of the inventors. The inventors should be named after the title, *e.g.* on the cover page. The patent application itself should also include all priority information, such as the identification of related applications.

Claims

The claims are the legally-operative part of a patent application; everything revolves around the claims. The claims mark the boundaries of the protection provided by a patent, just as a physical boundary such as a fence, marks the limits of a parcel of real property. Thus, the claims are a written approximation of the abstract inventive concept created by the inventor. The claims define the scope of protection provided by a patent.

¹⁶⁰ Hart T., *Op. Cit.* at pg 11

¹⁶¹ Section 18(1)

The claims clearly and concisely tell the world what the patent applicant claims to be his invention.

The claims must,

- i. define the matter for which protection is sought;
- ii. be clear and concise; and
- iii. be supported by the description; and
- iv. relate to one invention or group of inventions which are so linked as to form a single inventive concept.

The claim describes particularly and distinctly what the author regards as the invention.¹⁶²

The claim must be defined unambiguously, and in accordance with the description. Depending on the nature of the invention, claims may be for a product, an apparatus, a process or a use.

Description

The detailed description section breathes life into the claims and provides a sufficient explanation of the invention for an ordinary person skilled in the art to make and understand the invention. Description part may also include drawings. In this part the patent application must disclose the best mode of carrying out the invention known to the inventors.

Description must describe the invention comprehensively. It should fully and clearly explain the problem to be solved with examples. Description should be adequate and sufficient so as to enable a person skilled in the art to perform and repeat the invention without inventor's further inputs.

Abstract

¹⁶² Schlicher, *Ibid* p.7-3

The abstract is the part of the document that is directed to the technicians. It will contain sufficient technical information for a skilled person in that area to study the science to see whether it goes beyond what already exists in the field.

A patent application may be amended after filing but before grant, either to correct any deficiencies in the application which are identified by the patent office or at the applicant's choice following receipt of the results of either the preliminary or the substantive search.

Examination

Preliminary Examination. Upon filing of the application, the Patent Office will examine whether the minimum requirements for obtaining a filing date have been met such as whether the application fee(s) has been paid, and the description, drawings, claim and abstract have been filed in English language, etc. The Patent Office records as a filing date the date of receipt of the application, provided that, at the time of receipt, the documents filed must contain the name of the applicant; a part which on the face of it appears to be a description; and a part which on the face of it appears to be a claim. If the Patent Office finds that the application did not, at the time of receipt, fulfil these requirements, it will require the person making the application to file the correction. If the person making the application complies, the Patent Office records as filing date, the date of receipt of the required correction.

Formal examination. After the preliminary examination the application will be examined as to compliance with the formal requirements. If the formal requirements for obtaining a patent are found not complied with, applicant will be given three months within which to remedy the defects. There is prescribed form for remedying the defects. If the defects are not remedied within three months period, the application will be refused. If the reply of the applicant is considered insufficient, the application will also be refused. If the applicant fails to reply, the application will be deemed withdrawn. The formal examination is carried out with a view to establishing whether (a) the request for grant of a patent states the name of and other prescribed data concerning the applicant, the

inventor and the agent if any, and the title of the invention; (b) If the applicant is not the inventor, the application is accompanied by a sworn declaration to the effect that the person making the application has a right to the patent; (c) the appointment of an agent is indicated by designation of the agent in the request or by the furnishing of a power of attorney signed by the person making the application; (d) compliance of the description, the claims and, where applicable, the drawings with the physical requirements prescribed by the regulations; (e) the application contains an abstract; (f) a request made by the Patent Office for furnishing of information on corresponding foreign applications and grants has been complied with; and (g) official fees have been paid as provided in the regulations. If the Patent Office finds any of these defects, it will require the person making the application to remedy such defects provided that any corrections made to the application must not require a change of the filing date and if the applicant does not comply with the said invitation, the application will be rejected.

Substantive examination. Under the patent legislation, the Minister responsible for patents is allowed by regulations to direct that applications for patents relating to a specified technical field to be subjected to an examination as to substance. If in the opinion of the Patent Office that the subject matter of an invention for which a patent is sought falls within a technical field covered by the terms of a direction by the Minister, examination as to substance will be carried out to establish whether the following conditions are fulfilled: (a) the claimed invention is patentable; (b) the claimed invention is not excluded from patentability; and (c) the description and the claims comply with the requirements prescribed under the law.

Search

If the formal requirements are found complied with, the Patent Office will carry out a novelty search (unless the application is to be the subject of an international-type search), and will prepare a novelty search report on the basis of the claims, with due regard to the description and drawings (if any). The Patent Office will cause an examination to be carried out as to whether the application appears to comply with the requirement of

unity of invention. If the Patent Office is of the opinion that the requirement of unity of invention may not have been complied with, the applicant will be invited to restrict or divide the application. The time limit for submitting comments or amendments is two months from the date of notification by the Patent Office. If the person making the application does not comply with this requirement, the application will be rejected.

Publication

Irrespective of the course of the procedure of grant, when the decision to grant is made, the applicant will be requested to pay the grant and publication fees within three months from date of notification. Upon payment of the grant and publication fees, the Patent Office allots the patent registration and publication number, in the sequential order of grant, and shall publish a reference to the grant in the Patents Journal. The publication of the reference to the grant of the patent includes (a) the number of the patent; (b) the name of the owner of the patent; (c) the name of the inventor or other person who has a right to a patent as shown on the sworn statement; (d) the name and address of the agent (if any); (e) the filing date and number of the application; (f) if priority has been made and the claim has been accepted, as statement of the priority, the priority date and the name of the country or countries in which or for which the earlier application was filed; (g) effective date of grant of the patent; (h) the title of the invention; (i) the abstract; (j) the most illustrative of the drawings (if any); and (k) the symbol of the International Patent Classification. Upon publication of the application the entire file will be open to public inspection after payment of search fee. Until the publication of the application, only the applicant, his representative, and the expert or body called upon to give an expert opinion (if any) will have access to the files. The inventor also has access to the files and is entitled to make remarks, even if he is not the applicant. Copies of the documents that may be inspected may be obtained on payment of the required fee.

Grant

Within four months from the date of publication of a reference to the grant, the patent will be granted in a prescribed form of grant which contains, apart from information

included in the publication of a reference to the grant, the date of publication of the patent and the address of the inventor and the owner of the patent. The patent is deemed to be granted on the date the Patent Office published a reference to the grant.

After grant, a patent certificate will be issued in a prescribed form. The grant will be entered in the Patents register. The register contains, in addition to information included in the publication of reference of a grant, the following information: (a) the address of service; (b) the expiry date or date on which the patent was surrendered or invalidated; (c) any assignment of the patent or application thereof; (d) the grant of any license contract; (e) the grant, cancellation and variation of the terms of any compulsory license with respect to the patent; and (f) the fact that licenses under the patent are available as of right.

Opposition

Opposition can be made by way of filing a request for correction of errors in any document filed with the Patent Office. This request can be made by any person within three months after the date of publication in a form of notice of notice of opposition. The notice of opposition must be supported by a statement in duplicate setting out fully the facts on which the opponent relies and the relief which he seeks. The Patent Office will send a copy of the notice and the statement to the person making the request who, if he desires to proceed with his request for grant of a patent, he must file a counter-statement in duplicate within three months from the date of receiving a notice of opposition. After receiving the counter-statement, the Patent Office will give such directions as it may think fit with regard to the subsequent proceedings. Usually, the Patent Office refers the matter to the High Court. The following orders may be made by the High Court: (a) transferring a patent or application or any right in or under it to any person; (b) that the application should proceed in the name of any person; (c) allowing the owner of a patent to amend the application or patent; or (d) invalidating a patent.

3.10 Patent Infringement

The exclusive rights granted to patent owner generally exclude others from exercising any right of the patent owner during the term of protection of the invention. Patent infringement is, therefore, the making, importing, selling, offering for sale, or using the product or process which is the subject of patent without the authority of the patent owner.¹⁶³

In the case of *Catnic Components Ltd v Hill & Smith Ltd* (1982) FSR, the plaintiff had a patent load-bearing steel lintels, which had a rear support member, described in the claims as vertical. The defendant made a similar lintel but the rear support member was inclined between six and eight degrees from the vertical. This meant that its load-bearing capacity was slightly less than that of the plaintiff but not enough to make a significant difference in its practical use. The plaintiff had described another part of its lintel as substantially horizontal, and the defendant claimed that, as the reference to the vertical support had not been qualified in the same way, the defendant's lintel would have to be exactly vertical to infringe. The House of Lords rejected this argument and held that the patent had been infringed¹⁶⁴.

Unauthorized making, using or selling of the invention reduces the private value of the invention to its owner, whether that value is captured by others deliberately, negligently or mistakenly.¹⁶⁵

Remedies

Patent infringement is both civil wrong and criminal offence. A person whose right has been infringed may request the court for injunction to prevent infringement or to prohibit the continuation of the infringement. He may also pray for damages, an order for the defendant to deliver-up or destroy any patented product which relates to the infringement, an order to account of the profits made from the infringement and a declaration that the patent is valid and has been infringed.¹⁶⁶ A person who intentionally

¹⁶³ Section 65 *Ibid*

¹⁶⁴ Hart T., *Op. Cit.*, at pg 53

¹⁶⁵ Schlicher, W, *Op cit p.1-17*

¹⁶⁶ Section 66 *Op cit*

infringes patent is guilty under criminal law. The punishments provided for under the Act is fine not exceeding five hundred thousand or a term of imprisonment not exceeding five years or both.¹⁶⁷

Defences

1. the invention was not patentable;
2. the patent was granted to someone who was not entitled to it;
3. the specification does not disclose the invention with sufficient clarity and fullness for it to be performed by the person skilled in the art; and
4. the Doctrine of Exhaustion.

The doctrine of patent exhaustion holds that a single authorized and unconditional sale of a patented article terminates all patent rights to that article, thereby limiting a patentee's exclusionary power in the underlying patent¹⁶⁸. The patent exhaustion doctrine prevents a patent holder from "double-dipping" by collecting payment from multiple entities in a supply chain for use of the same patented invention. The defense of patent exhaustion is available where the accused infringer's upstream supplier has either:

- Purchased a patented article from the patent holder or licensee of the patent holder.
- Been granted a license or authority from the patent holder to sell the patented article.

For example, if a patent holder licenses its patent covering a computer processing chip to a chipmaker, patent exhaustion prevents the patent holder from collecting additional license payments from computer manufacturers that make end-products incorporating the licensed chipmaker's chip. In this case, the patent is "exhausted" by the authorized first sale of the patented article.

¹⁶⁷ Section 69 *Ibid*

¹⁶⁸ Watanabe, Y (2009), "The Doctrine of Patent Exhaustion: The Impact of *Quanta Computer, Inc. v. LG Elecs., Inc.*" *Virginia Journal of Law & Technology*, Vol 14 No. 273 at pg 275

Specifically, in *Quanta Computer, Inc. v. LGE Electronics, Inc.*, the Supreme Court held that the “authorized sale of an article that substantially embodies a patent exhausts the patent holder’s rights and prevents the patent holder from invoking patent law to control post-sale use of the article” (553 U.S. 617 (2008)).¹⁶⁹

3.11 Compulsory Licensing

A person granted an invention must work it. If he fails to work the invention the court, may on application, grant a compulsory licence.¹⁷⁰ A compulsory licence may also be granted if the product or the process which is the subject of the patent is declared by the minister responsible, by order published in the Gazette, to be of vital importance for the defence or the economy of the country or for public health.¹⁷¹

A person who is granted with compulsory licence may exercise any of the rights of the patent owner, which are making, selling, offering to sell, importing, or using the product or the process.¹⁷² However he cannot grant further licences without the consent of the owner of the patent.¹⁷³ The grant of compulsory licence is subject to payment to the owner of the patent of an equitable remuneration.¹⁷⁴

3.12 Patent Protection in International Level

There are various approaches to procuring international patent protection on an invention.

The first approach, and the most expensive, is to file (usually on the same day) separate patent applications in the national patent office of each country or region in which protection is sought. The drawback of this approach is that legal and filing fees for each country begin to accrue as soon as the application is filed.

¹⁶⁹ Kasdan, M,J et al (2011), Patent Infringement Claims and Defenses, Practical Law Publishing Limited and Practical Law Company, Inc., at pg 10

¹⁷⁰ Section 52 *Ibid*

¹⁷¹ Section 54 *Ibid*

¹⁷² Section 56(2) (a) *Idid*

¹⁷³ Section 56(2) (b) *Idid*

¹⁷⁴ Section 56(2) (c) *Idid*

Paris Convention Filing

The second approach for filing internationally is to file a patent application in accordance with the Paris Convention for the Protection of Industrial Property. Taking this route, the applicant files a patent application in a single Paris Convention member country (usually required to be the country of residence of at least one of the inventors), which establishes a first or *priority filing date* for the application. The applicant can then delay filing in other Paris Convention countries for up to 12 months after the priority filing date. Member countries of the Paris Convention agree to recognize the priority date of a patent application filed in one member country and to give the benefit of that priority date to corresponding applications in all member countries. This approach delays the costs associated with international patent procurement for one year. Procurement costs initially accrue in the country of first filing, and then, up to one year later, the costs associated with filing applications in the other Paris Convention countries begin to accrue.

Patent Cooperation Treaty Filings

The Patent Cooperation Treaty (PCT) is a multilateral treaty that became effective in 1978. The PCT is administered by the International Bureau of the World Intellectual Property Organization (WIPO) whose headquarters are in Geneva, Switzerland. The member countries of the PCT are called PCT Contracting States. As of August 1, 2006, there were 133 PCT Contracting States.

The PCT enables a patent applicant to file one “international” patent application to seek protection in any or all of the PCT Contracting States. The “international” patent application has the effect of filing a regular “national” patent application in each designated state and it is important to understand that WIPO does not issue a “PCT patent” or “international patent” that provides protection in all the Contracting States. Patents are granted or rejected by each PCT Contracting State or regional office individually under their respective patent laws. Thus, an applicant must still prosecute a patent application in each country or regional office in which he seeks protection and pay the national or regional fees.

The main advantage of filing a PCT application is the additional time gained before having to prosecute applications in other countries after the initial filing. Without the PCT the applicant generally has 12 months to file patent applications in other Paris Convention countries after filing the initial application. In contrast, by using the PCT the applicant has at least 30 months (and more in many countries) from the date of initial filing to begin prosecuting his application in other countries – effectively gaining 18 months. This delay provides time to obtain knowledge as to the patentability and commercial prospects of an invention. It also postpones the major costs of internationalizing a patent application such as paying national/regional fees, translating the patent application and paying fees to local patent agents in the various countries.

In addition to the time gained, the PCT provides applicants with value-added information on which they can base their patenting decisions. The international search report and the written opinion of the International Searching Authority give applicants a high quality, realistic look at the patentability prospects of their invention.

The PCT procedure consists of two main phases: the “international phase” and the “national phase. The international phase consists of

- 1) filing of the international application either with a national/regional “Receiving Office” or the International Bureau of WIPO,
- 2) novelty search on the patentability of the invention (including an international search report and a written opinion on potential patentability),
- 3) publication of both the PCT application and the international search report by WIPO, and
- 4) (optional step) request for an international preliminary examination of the international application.

United Republic of Tanzania has been a party to the [Patent Cooperation Treaty](#) since 14 September 1999. As of that date it is possible to designate Tanzania in international patent applications filed under the PCT (note: Since 1 September 1999 Tanzania has also become a member of the Protocol on Patent and Industrial Designs within the

Framework of African Region Industrial Property Organization (the Harare Protocol), 1982), thus it also possible for a patent protection in Tanzania to be obtained by a ARIPO-PCT application as well). The procedure for processing patent application when the local Patent Office acts as Receiving Office under the PCT are as follows:

- The local Patent Office is the competent Receiving Office for international patent applications filed by a Tanzanian citizen or by a person whose private or corporate domicile is in Tanzania.
- International applications filed with the local Patent Office must be filed in triplicate, in compliance with the formal and physical requirements prescribed in the Regulations under the PCT itself.
- International patent applications may be filed either in one of the languages prescribed by the competent International Searching Authority elected by the applicant. The competent International Searching Authority for PCT international applications filed with the Patent Office include the [European Patent Office](#) and [ARIPO Office](#).
- The translation of the international application must be furnished to the Patent Office within one month from the date on which the international application was received by the Patent Office. Where, by the time the Patent Office notifies the applicant of the international application number and international filing date, the applicant has not furnished the required translation, the Patent Office will, preferably together with that notification, invite the applicant to furnish the required translation either within the time limit of one month from the date on which the international application was received by the Patent Office, or, in the event that the required translation is not furnished within that time limit, to furnish it and to pay, where applicable, the late furnishing fee, within one month from the date of the invitation or two months from the date of receipt of the international application by the Patent Office, whichever expires later. Where the Patent Office has sent to the applicant an invitation to furnish the translation and, where applicable, pay the late furnishing fee, and the applicant has not done so within the applicable time limit, the international application will be considered withdrawn and the

Patent Office will so declare. However, any translation and any payment which are received by the Patent Office before that Office makes the declaration that the international application is considered withdrawn, and before the expiration of 15 months from the priority date, will be considered to have been received before the expiration of the applicable time limit.

- For international applications filed with the Tanzania Patent Office, in addition to the fees prescribed by the PCT a transmittal fee must be paid.

ARIPO Fillings

African Regional Industrial Property Organization (ARIPO) based in Harare, Zimbabwe is empowered by the Harare protocol on patents and industrial designs to grant patents and to register utility models and industrial designs on behalf of contracting states. The following countries are the contracting states to the protocol: Botswana, The Gambia, Ghana, Kenya, Lesotho, Malawi, Sudan, Swaziland, Uganda, Zambia, Zimbabwe, Tanzania and Sierra Leone.

Applications for the grant of patents or the registration of utility models and industrial designs may be filed either directly with the ARIPO office or with the industrial property office of a contracting state. The ARIPO office then examines and grants the patent, which automatically extends to all the member countries that have been selected and designated by the patentee. The patent is then subject to the respective national laws of each country.

CHAPTER FOUR

TRADE AND SERVICE MARKS

4.0 Introduction

A trade mark can be described as a sign or symbol placed on, or used in relation to, one trader's goods or services to distinguish them from similar goods or services supplied by other traders. It may also be defined as any sign capable of being represented graphically which distinguishes the goods or services of one business from those of another.¹⁷⁵

A trademark is a sign, or a combination of signs, which distinguishes the goods or services of one enterprise from those of another. Such signs may use a phrase, word, letter, numeric device, symbol, name, picture, shape and colour, as well as any combination of the above.

An increasing number of countries also allow for the registration of less traditional forms of trademark, such as three-dimensional signs (like the Coca-Cola bottle or Toblerone chocolate bar), audible signs (sounds, such as the roar of the lion that precedes films produced by MGM), or olfactory signs (smells, such as perfumes). But many countries have set limits as to what may be registered as a trademark, generally allowing only signs that are visually perceptible or can be represented graphically.

A trademark is simply a word, phrase, symbol, or design that appears on the product being sold and which distinguishes itself from other words, phrases, symbols or designs in the marketplace. A service mark is a type of trademark used by the owner or authorized user to provide services instead of goods. A service mark is also represented by a word, phrase or symbol. Another word for trademark is 'brand name'.

Section 2 of the Trade Mark and Service Mark Act, Cap 326 R.E 2002 defines trade or service mark to mean any visible sign used or proposed to be used upon, in connection with or in relation to goods or services for the purpose of distinguishing in the course of

¹⁷⁵ Hart T., Op. Cit., at pg 79. Read also the case of Coca-Cola Trademark Applications (1986) 2 All ER N 274

trade or business the goods or services of a person from those of another¹⁷⁶. The Act further defines visible sign to mean any sign which is capable of graphic reproduction, including a word, name, brand, device, heading, label, ticket, signature, letter, number, relief, stamp, seal, vignette, emblem or any combination of them. Thus sound and smell can not be registered as trade mark or service mark under the Trade and Service Mark Act.

4.1 Functions of trade and service mark

In the case of *SA CNL-Sucal v Hag GF AG* (1990) 3 CMLR 571, the European Court of Justice described the essential function of trade mark as giving the consumer or the ultimate user a guarantee of identity of the origin of the marked product by enabling him to distinguish, without any possible confusion, that product from others of different provenance.

In another case of *Phillips Electronic NV v Remington Consumer Products* (1999) RPC 809, the court of Appeal of England stated that the function of trade mark of to identify the trade origin of goods and services. That function is important to protect both traders and consumer. Generally trade mark has the following functions:

- To differentiate one trader's goods or services from those of another;
- It is an essential tool for selling goods;
- Assist the consumers in choosing goods basing on personal experience
- Guarantee repetition. Once the consumer has tries a product with a particular name and finds it satisfactory, repeat purchase of the goods bearing that name will guarantee repetition of that satisfaction;
- It can also act as the warning against further purchase, particularly where the consumer has had a bad experience.

4.2 The Law of Trade Mark and Service Mark in Tanzania

¹⁷⁶ This means that in Tanzania, unlike some other countries, trade or service mark must be visible sign and capable of being represented graphically. Thus sound and smell can not be registered under the Act as they are not visible and they can not be represented graphically.

Tanzania is a United Republic, made up of two countries namely Tanganyika (now “Mainland Tanzania”) and the Islands of Zanzibar and Pemba, collectively known as “Zanzibar”. Both countries were British colonies and thus followed the common law legal system that was bequeathed to them. Although these two former states united in 1964, they still maintain separate trademarks laws and registration systems. Consequently, protection sought in one part of the union will not extend to the other part. To obtain trademark protection throughout the union, protection must be sought in both Tanganyika and Zanzibar (i.e. by filing separate trademark applications.)

In Tanganyika, trademarks are governed by the Trade and Services Marks Act¹⁷⁷. This legislation was enacted in 1986 and became operational in October 1994 following the publication of the commencement notice in the official Gazette.

4.3 Trade mark Protection

For the trade mark to be availed protection under the IPR laws, the producer of the goods or the person who designed the mark must make a formal application to the registrar. Each separate trade mark must be the subject of a separate application.

4.4 Registrable as trade mark

For a mark to be registered it must meet two important conditions:

- Capable of being represented graphically; and
- Distinctiveness¹⁷⁸.

A trade or service mark is distinctive if it is capable, in relation to goods or services in respect of which it is registered or proposed to be registered, of distinguishing, goods or services with its proprietor from goods or services of another person/producer.

In determining whether a trade or service mark is capable of distinguishing goods or service of one producer from another, the registrar will consider the extent to which the trade or service mark is inherently capable of distinguishing goods or services of one

¹⁷⁷ Cap 326 R.E 2002

¹⁷⁸ See definition of trade and service mark under section 2 and also see section 16 of the Act, Cap 326

producer from another; and by reason of the use of the trade or service mark or of any other circumstances, the trade or service mark is, in fact capable of distinguishing as aforesaid.

In case the application for registration of a trade mark is objected, it is always the burden of the applicant of the registration for the trade mark to satisfy the Registrar that his trade mark is distinctive and it is not likely to cause confusion or to deceive the consumers.

In the *Matter of Trade Marks Ordinance Cap. 394 and In the Matter of Trade Mark Application No. 16549 between Cheesebrough-Pond's Inc. and Gupyaka (1973) Agencies* [1982] TLR 111, Cheesebrough-Pond's Inc., the owners of the trade mark "Vaseline" appealed against the decision of the Registrar of Trade Marks to register "Vasofine" under the Trade Marks Ordinance. The Registrar had ruled that the appellant company had failed to prove that there would be confusion if "Vasofine" was registered.

The court held that the two marks "Vaseline" and "Vasofine" look alike as they are written in the same way and have the same number of letters and are also similar phonetically. The court further held that the burden of proof is all times upon the applicant for registration of a Trade Mark to satisfy the Registrar that his mark is not likely to deceive or cause confusion; the registrar shifted the burden which was a serious misdirection.

The trade mark may be limited in whole or in part to one or more colour. If during registration there was no specification of colour, the assumption is that the trade mark is registered for all colours.

4.5 Unregistrable Mark

A mark will not be registered if the use of which would be contrary to law or morality or which would be likely to deceive or cause confusion as to the nature, geographical or other origin, manufacturing process, characteristics or suitability for their purpose, of the

goods or services concerned¹⁷⁹ and trade or service marks which consist of solely of the shape, configuration or colour of the goods, or its containers¹⁸⁰.

Also the trade or service marks which are identical with, or imitate the armorial (relating to coat of arm) bearings, flags and other emblems, initials, names, or abbreviations or initials of name or official sign or hallmark of any state or of any organisation created by an International Convention, unless authorised by the competent authority of that state or international organisation are not registrable. Equally trade or service marks which constitute reproductions in whole or in part, imitations, translations or transcriptions, liable to create confusion of trade or service marks and business or company names which are well known in the country and belong to third parties are not registrable¹⁸¹.

4.6 Honest Concurrent Use

It may appear that more than one producer have been using a mark which is identical or which resemble each other and one of them or all wants to register the said mark. In this case the Act provides that, *trade or service marks that are identical or nearly resemble each other in respect of the same goods or services or closely related goods or services may be registered in the name of more than one proprietor, subject to any conditions and limitations, if any, which it is considered necessary to impose*¹⁸².

¹⁷⁹ See *Re H.N Brock* (1910) Ch 130 , the court of appeal of England refused registration of the word “orlwool” on ground that phonetically the word sounded as “all wool” and would be deceptive if the goods to which it was applied were not made entirely of wool. In *Re Hallelujah Trade Mark* (1976) RPC 605, in this application, it was held that the religious connotation of the word Hallelujah made it inappropriate as a trade mark for clothing.

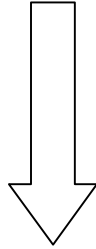
¹⁸⁰ See the case of *Redaway & Co's Application* (1914) 31 RPC 147 and *Smith, Kline & French Laboratories Ltd v Sterling-Winthorp Group Ltd* (1975) 2All ER 578.

¹⁸¹ See section 19 of the Act.

¹⁸² Section 20

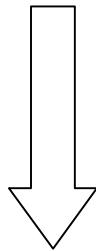
Procedures for Registering Trade or Service Mark (see sections 21, 26, 27 and 28)

Application

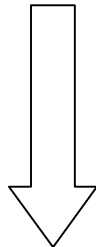


Examination

If after examination no objection
from the registrar

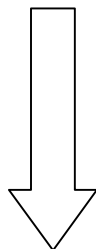


Advertisement in the Trade and Service Mark Journal



Opposition (if any)

If no opposition after the lapse of
specified time, or if the
opposition is ruled in favour of
the applicant



Registration

4.7 Rights of trade mark owner

The law gives the owner of trade mark exclusive right to the use of a trade or service mark in relation to any goods including sale, importation and offer for sale or importation¹⁸³. In case of co-owners each co-owner is entitled to exercise the exclusive rights without other co-owner's consent. The owner of the trade mark may licence to another person. Trade mark can also be transferred by way of inheritance. The duration for protection of trade or service mark is a period of seven years from the date of registration but may be renewed for further 10 years¹⁸⁴.

4.8 Trade mark infringement

A person infringes a registered trade mark if he uses in the course of his trade a sign that is identical with the trade mark of another producer/person and is used in relation to goods or services similar to those for which the trade mark is registered; or the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered.¹⁸⁵ For the claimant to succeed in the case of infringement, he has to show that the two marks are identical as are the goods or services to which they are applied.

In the case of *Kiwi European Holdings Bv versus Sajad Ali Limited* (2005) TLR 434, the court held that the right to exclusive use upon registration of a trade mark can not be infringed unless it is proved that the offending mark is either identical with the registered trade mark or it is so resembles the registered trade mark as to be likely to deceive or cause confusion in relation to the goods in respect of which the mark is registered. The

¹⁸³ See section 31 of Cap 326

¹⁸⁴ See section 29(1)

¹⁸⁵ See the cases of *British Sugar plc v James Robertson & Sons Ltd* (1996) RPC 281; *Unidoor v Mark & Spencer* (1988) RPC 275; *Wagamama Ltd v City Center Restaurant plc* (1995) FSR 713; and *Baywatch Production Co Inc v The Home Video Channel* (1997) FSR 22, the court held that there was no confusion on part of the public on the popular television programme 'Baywatch' and a programme on adult television channel called BABEWATCH. See also section 32 of Cap 326

court further held that in deciding the question of similarity between two marks, one has to approach it from the point of view of a man of average intelligence and of imperfect recollection, and that an ordinary purchaser is not gifted with immense powers of observation. The court also held that in general, proof of a single act of infringement by the defendant is sufficient to justify the plaintiff in bringing his action.

In the above case the plaintiff was the registered proprietor in Tanzania of the trade mark KIWI. One day a product development representative of the plaintiff bought from the defendant's shop KIWI shoe polish which turned out not to be a true KIWI product although it had many features of the original KIWI including the logo on it, but the year of manufacture was missing and the motto on it was slightly different from the true KIWI. The plaintiff sued the defendant for infringement of the plaintiff's registered trade mark and calculated to cause confusion and passing off.

In the case of *Reed Executive plc & Another v Reed Business information Ltd and Other* (2004) EWCA Civ. 159, the court stated that the trade mark proprietor must show that:

1. Use of a sign which is identical to his registered mark; and
2. Use for goods or services which are identical to those for which the mark is registered¹⁸⁶.

It is also infringement of trade mark to advertise by comparing the merit of the product or service being advertised with that of a rival, using the rival's brand name¹⁸⁷.

4.9 Remedies

Trade mark or service mark infringement attracts both civil and criminal liabilities. A claimant may apply for injunction to prevent further infringement and may also pray for damages.

¹⁸⁶ In the case of *Origins Natural Resources Inc v Origin Clothing Ltd* (1995) FSR 280, the addition of the letter 's' to the word Origin was held not to be identical.

¹⁸⁷ See *News Group Ltd v Mirror Group Ltd* (1989) FSR 126; *Barclays Bank plc v RBS Advanta* (1996) RPC 307 and *Vodafone Group plc Orange v Personal Communications Services Ltd* (1997) FSR 34.

It is an offence under our law for any person to sell any goods to which any forged trademark or false trade description is applied or to which any trademark or mark so nearly resembling a trademark as to be likely to deceive is applied¹⁸⁸. Any person convicted of an offence under the law may be sentenced to pay a fine or serve a prison term of 1 year or both.

4.10 Defences

1. It is not an infringement if the defendant's trade mark is also registered
2. Use of person's name or address is not an infringement provided that such use is consistent with honest practices in industrial or commercial matters¹⁸⁹.

4.11 Passing off

The practice of passing off involves one trader giving the consumers the impression that his goods are that of another trader who has an established goodwill. It also occurs where one trader indicates that his goods are of same quality as those of another trader or where one trader creates an impression of association with another trader. Passing off first may cause loss of sales on part of the first trader; this is where the person passing off uses the goodwill established by the first trader to sell his goods. Passing off also may lead loss of reputation where the second trader's goods are not of the same standard as those of the first trader.

Passing off is a tort. The law of passing off is used to protect honest traders who have acquired goodwill on their trader mark which are not registered or where the mark is unregistrable. This means that a producer who uses a mark which is not registered may obtain protection under the common law of passing off¹⁹⁰.

4.12 Differences between trade mark and passing-off

¹⁸⁸ Section 6 of the Merchandise Marks Act, Cap 85 R.E 2002 (this Act was enacted in 1963 to combat counterfeiting activities. Surprisingly, this legislation did not become operational until 15 April 2005 due to the delay in the publication of the commencement notice in the official Gazette). See also Regulation 50 of the Merchandise Marks Regulations, 2008

¹⁸⁹ In *Asprey & Gerrard Ltd v WRA (Guns) Ltd* (2001) EWCA Civ. 1499, (2002) FSR 30, the court of appeal of England held that the own name defence is not available to a new company. See also section 34 of Cap 326

¹⁹⁰ See section that of the Act, Cap 326

Once a trade mark is registered, protection against infringement is automatic. The proprietor of trade mark needs to prove nothing. On the other hand, the claimant in passing off action must demonstrate the presence of goodwill in order to have a right of action.

It should be noted that inaction of passing off it is not necessary for the plaintiff to prove that the defendant copied exactly the goods of the plaintiff. Chity J (at p. 502), with regard to passing-off actions observes that, *“no defendant, so far as I know, puts forward an exact copy. The imitation would be too gross.... He tries to take many of the striking points in his adversary’s wrapper or the like, then he puts in certain points of distinction..... the intention being to make it as like as can be for the purpose of deceiving the ultimate purchaser, and still reserving a loop-hole for escape when the matter is brought in to court by saying the two things are not alike”*¹⁹¹. For the claimant to succeed in an action of passing off he must prove three important issues

- i. Existence of the claimant’s/plaintiff’s goodwill;
- ii. A misrepresentation; and
- iii. Damage¹⁹².

In the case of *the East African Tobacco Co., Ltd versus the Colonial Tobacco Co., Ltd* 5EACA 6, after the appellants Crescent and Star brand of shag tobacco had established a considerable reputation amongst the native peasants of the Eastern and Northern provinces of Uganda, where it was generally known among illiterate natives as Chapa ya Feza or Silcer Brand, the respondents put in the same market their Mpanga Brand of Shag tobacco which was sold in packets identical in size, colour and shape with the packets in which the appellant’s tobacco was sold. The levels of both brands were fixed

¹⁹¹ As per Sir Charles Law, C.J., in *the East African Tobacco Co., Ltd versus the Colonial Tobacco Co., Ltd* 5EACA 6, at p. 7

¹⁹² See the cases of *Reckitt & Colman Products Ltd v Barden Inc.* (No.3) (1990) 1 All ER 873; *Consorzio del Prosciutto de Parma v Marks & Spencer plc* (1991) RPC 351; and *Erven Warnink Besloten Vennotschap v J. Townend & Sons (Hull) Ltd* (1979) AC 731, in this case the court held for the claimant to succeed in the action of passing off he must show that there was a misrepresentation made by a trader in the course of trade to prospective customers of his or ultimate customers of goods or services supplied by him, which is calculated to injure the business, or goodwill, of another trader and which causes actual damage to the business or goodwill of the trader by whom the action is brought or will probably do so.

to the packets in the same manner and position and though they bore different designs they were identical in size and colour. Both brands were sold by retailers to illiterate natives as Chapa ya Feza.

The court held that if a manufacture sells goods in a get-up which so clearly resembles that of another person's goods as to enable his own goods to be sold as a the goods of that other person, the manufacturer puts an instrument of fraud in to the hands of the shopkeeper. The law will not permit a manufacturer to put a shopkeeper in such position.

4.13 Trade Marks and Domain Names

An Internet domain name is an alpha-numeric mnemonic device that can be mapped on to an Internet Protocol ('IP') address to enable users to 'surf the web' more easily than if they had to remember the details of each IP address they wanted to visit. Internet domain names can be easily remembered because they are usually chosen in a form that relates somehow to the website the person might want to access: for example, www.microsoft.com for the Microsoft corporation.

Clearly, a domain name can be a very valuable business asset in that it can operate like a combination trademark and shopfront that both assists customers locate a commercial website, and can develop goodwill in the sense of attracting custom over a period of time. Outside the purely commercial arena, Internet domain names can also be valuable in assisting people find specific information, either as pointers to the information *per se* or as pointers to a useful source of information (such as a government information website, library website, university website etc). Because of their uniqueness a domain name can only map onto one IP address at a time and because of their potential value, the commercial and legal systems have struggled in recent years to classify the status of domain names¹⁹³.

4.14 Cybersquatting

¹⁹³ Lipton, J.D., Beyond Cybersquatting: Taking Domain Name Disputes Past Trademark Policy, at pg 4 - 5

Cyber-squatting, also known as “domain squatting,” is a practice that has gained an incredible amount of volume in the past two decades with the rise of the Internet. Cybersquatting is essentially when any individual purchases/registers a domain name that is not related to their business or personal interests with the intention of achieving financial gain through the popularity of the domain’s name.

There are numerous versions of cybersquatting, but they all involve buying a domain name that is easily associated with something entirely separate from the buyer's intentions. Since the purchased domain is theoretically popular, it becomes easy for the squatter to make money off of hapless visitors looking for something entirely different.

One way that squatters can make money with their domains is by selling them back to the "rightful" owner for a significant amount of money. For instance, if Microsoft were forced to purchase the domain Microsoft.com, it would not be unreasonable for them to be willing to pay several million dollars. Of course, there is no concern that such large companies as Microsoft are going to lose their domains. The real issue is with new companies or individuals who are just coming into the public eye. It is a common practice for squatters to claim domains that feature these company and individual names very quickly with the hope of making an easy buck.

Another tactic is for the squatter to hold on to the domain and benefit from the traffic that comes to the website. For instance, if Joe Smith is a local mechanic with no website, a squatter might purchase the JoeSmith.com domain name. Mr. Smith's customers may perform an Internet search for Joe Smith and come across the website. The squatter can set up the website to sell something entirely different, or just benefit from advertising revenue. Either way, the squatter is benefiting from the popularity of someone else's name.

The existence of domains without specific requirements for the registration brought a policy of “first come, first served”. This has created many disputes with trade mark owners because, since the 1990s, many speculators have started to register domain names in order to resell them for a much higher price to trade mark owners and new businesses.

Problems arose with trade mark owners because of their entitlements to IP rights make them feel ripped off by this new practice called “cybersquatting”. Thus, to date, anyone who wishes to register a domain for the first time which is trade marked can do so; whatever problems may arise will have to be faced later.

The reason as to why there is such increase in such incidences is the growing importance of domain names in this e-commerce trend. Domain names hold an elevated level of importance for the reason that there can be only one user of a domain name unlike two or more users of a same or similar trademark under the trademark law, for various classes of goods/services or under honest concurrent use. The domain registration system follows the “first come, first served” policy. So, once a person registers a domain name similar to a trademark, any other person using a similar mark is denied registration of another domain name similar to that trademark.

Under the trademark law a trademark can be used by one or more persons for various classes or goods or services, if such use does not amount to infringement or causing confusion or dilution. But such kind of provision is not applicable in case of domain names. Only one user is allowed to use a particular domain name and any other application for the same domain name is refused. This is the main reason as to why trademark owners prefer to get their trademarks registered as their domain names for business.

The cases of trademarks and domain names conflict mainly involve issues related to use of the goodwill of a trademark by an infringer in the domain name to divert the customers or potential customers of the owner of the trademark to a website not associated with that trademark, or use of meta-tags resulting in dilution of trademark or unauthorized registration of the trademark as domain name with the intent to extort money or to prevent the owner from using the trademark.

4.15 Generic Mark

Generic mark refers to a symbol or word that references a type of product as opposed to a specific product brand. A word or term is said to be generic when its primary meaning

to the prospective purchasers is the product or service and not the producer of the product or provider of the service. A mark that is generic cannot be protected as a trademark because it describes a whole group of goods or services and cannot distinguish one product within the group from another. Terms which were originally trademarks may over time, be adopted by the public as the common name for the product or service and become generic. This is known as genericide. Once the word or term becomes generic, the owner of the trademark or mark cannot exclude others from using it or recover damages for the use. Famous examples of such once protected but now generic marks include aspirin, escalator, thermos and cellophane

No one may own trademark rights to a word/term that is a generic name. A word/term is generic if its primary meaning to the prospective purchasers is the product/service and not the producer of the product/provider of the service. Words/Terms that originally are trademarks/marks may, over time, be adopted by the public as the common name for the product/service and become generic. If a word/term becomes generic, the owner of the trademark/mark cannot exclude others from using it or recover damages for the use. Examples of words that have lost trademark protection because they became generic names of products they identified include "aspirin", "thermos" or "cellophane."

4.16 Trade mark in International law

There are a number of international conventions and arrangements that give some international recognition to a national trade marks. These are the Paris Convention of 1983, the Madrid Agreement and the Protocol to Madrid Agreement of 1891.

Paris Convention of 1883

The convention recognises priority date for trade mark filed in any country member to the convention. It gives the proprietor 6 months of grace period to file for trade mark in other member countries from the first date when the patent was firstly filed in any

member country. The priority date will be the same; i.e. the date in which the first filing in any member country was filed, in all member countries¹⁹⁴.

Madrid Agreement of 1891

It allows anyone established or domiciled in a Madrid Agreement Country, with a trade mark registration in his or her country of establishment or domicile, to file one international application which can be extended to one or more other Madrid Agreement countries. The central international application is filed with WIPO in Geneva, designating to which countries the application is to be extended. WIPO then takes responsibility for passing the application on to each of the designated national registries, where the application proceeds according to the national laws of each country.

¹⁹⁴ See section 22 of Cap 326

TOPIC FIVE

INDUSTRIAL DESIGNS

5.1 Introduction

An industrial design refers to the ornamental or aesthetic aspects of an article. In general terms, it is the ornamental or aesthetic aspect of a useful article. This aspect may depend on the shape, pattern or colour of the article. The design must have visual appeal and perform its intended function efficiently. Moreover, it must be able to be reproduced by industrial means; this is the essential purpose of the design, and is why the design is called industrial.

A design may consist of three-dimensional features, such as the shape or surface of an article, or two-dimensional features, such as patterns, lines or colour. Industrial designs are applied to a wide variety of industrial products and handicrafts: from technical and medical instruments to watches, jewellery and other luxury items; from house wares and electrical appliances to vehicles and architectural structures; from textile designs to leisure goods. To be protected under most national laws, an industrial design must be new or original and non-functional.

In a legal sense, industrial design refers to the right granted in many countries, pursuant to a registration system, to protect the original, ornamental and non-functional features of a product that result from design activity.

Visual appeal is one of the main factors which influence consumers in their preference for one product over another. When the technical performance of a product offered by different manufacturers is relatively equal, consumers will make their choice based on price and aesthetic appeal. So in registering their industrial designs, manufacturers protect one of the distinctive elements that determine market success.

Therefore an industrial design is primarily of an aesthetic nature, and any technical features of the article to which it is applied are not protected by the design registration. However, those features could be protected by a patent.

5.2 Why protect industrial designs?

Industrial designs are what make an article attractive and appealing; hence, they add to the commercial value of a product and increase its marketability. When an industrial design is protected, the owner – the person or entity that has registered the design – is assured an exclusive right and protection against unauthorized copying or imitation of the design by third parties.

This helps to ensure a fair return on investment. An effective system of protection also benefits consumers and the public at large, by promoting fair competition and honest trade practices, encouraging creativity and promoting more aesthetically pleasing products.

Protecting industrial designs helps to promote economic development by encouraging creativity in the industrial and manufacturing sectors, as well as in traditional arts and crafts. Designs contribute to the expansion of commercial activity and the export of national products.

By rewarding creators for their effort in producing new industrial designs, this legal protection also serves as an incentive to invest resources in design activities. One of the basic aims of industrial design protection is to stimulate the design element of production. This is why industrial design laws usually only protect designs that can be used in industry or that can be produced on a large scale. This condition of utility is a notable difference between industrial design protection and copyright, since the latter is only concerned with aesthetic creations.

5.3 Industrial Design Law in Tanzania

There is no local statute for registration of designs in Tanzania. However, Tanzania has ratified Agreement on the Creation of the African Regional Industrial Property Organization, 1979 (effective for Tanzania as from 12 October 1983); and the Protocol on Patent and Industrial Designs within the Framework of African Region Industrial Property Organization (the Harare Protocol), 1982) (effective for Tanzania as from 01

September 1999) which provides for protection of industrial design. Further, Tanzanian Patents Act, have provisions which recognize designs registered in the United Kingdom¹⁹⁵. In Zanzibar, the main Act is the United Kingdom Designs (Protection) Decree, Cap. In order to obtain design protection in Tanzania and Zanzibar, a design must either be registered in the United Kingdom at the UK Patent Office or by ARIPO Office. It is possible to protect copyright over industrial designs under the Copyright and Neighboring Rights Act, 1999.

5.4 Protected Design

In most countries, an industrial design must be registered in order to be protected under industrial design law. As a rule, to be registrable, the design must be new and original. Countries have varying definitions of such terms, as well as variations in the registration process itself.

Generally, “new” means that no identical or very similar design is known to have previously existed¹⁹⁶. By originality, it means that the design has not been copied from another design – that is, it is the result of independent skill and labour of the designer..

5.6 Exclusion from Design Right Protection

There are various exclusions which prevent design right from arising in certain articles

(a) ‘Must Fit’ Exclusion

Design right does not subsist in features of shapes or configuration which enable the article to be connected to, or placed in, around or against, another article so that either article may perform its function. It is irrelevant that the designer could have found alternative ways of designing an article to achieve the interface. In the case of *Ocular Sciences Ltd and Another v Aspect Vision Care Ltd* (1997) RPC 289, the parts of a contact lens that were shaped to fit human eye were excluded from design right protection, even

¹⁹⁵ The United Kingdom (Protection) Ordinance has been inserted into Section 76 as part of the Patents Registration Act Cap. 217 R.E 2002 (amendment of 1992) . This law simply provides that, one who has protected an Industrial Design in the United Kingdom enjoys the same rights in Tanzania.

¹⁹⁶ See the case of *Scholes Windows v Magnet Ltd* (2002) FSR 10

although there were other possible shapes of contact lens, since they had to be shaped in a particular way so that they interfaced with an eye¹⁹⁷.

(b) ‘Must Match’ Exclusion

Also design right does not subsist in features of shape or configuration of an article which are dependence of another article of which the article is intended by the designer to form an integral part. A good example is a design of a replacement body panel of a car, since its appearance must match the rest of the car so that the car’s appearance returns to how it was before the panel was damaged. This is intended to prevent monopoly arising in favour of the manufacturer of product for the provision of spare parts for their product. However this exclusion will not apply where an alternative design can be used which is consistent with the design of the main article¹⁹⁸. In the case of *Dyson v Qualtex (UK) Ltd* (2006) EWCA Civ. 166, the court refused to exclude design protection right on the ground that certain parts of the Dyson cleaner could be replaced with spare parts of different appearance without radically altering the look of the whole article. This means that the parts were not dependent.

(c) Methods or Principles of Construction

Design right does not subsist in a design for something which is a method or principle of construction. See cases of *London & Hawa International Ltd* (2006) EWCA Civ 1285 & *Elite Angling Products v RAGS* (2007) FSR 10.

(d) Designs constitute an unauthorized use of State emblems or other emblems of an authority or international organisation as defined in the Paris Convention for the Protection of Industrial Property;

(e) Designs contain medals, emblems, armorial bearings or official signs and hallmarks indicating authentication and warranty the use of which is of public interest;

¹⁹⁷ Hart T., *Op. Cit.* at pg 234. See also the cases of *Ultraframe v Fielding* (2003) RPC 435, *Dyson Ltd v Qualtex (UK) Ltd* (2006) EWCA Civ. 166 and *Baby Dan AS v Brevi SRL* (1999) FSR 377

¹⁹⁸ Hart T., *Op. Ibid.*, pg 235

- (f) Designs being identical with a design which has been made available to the public after the date of priority and to which protection has been granted with an earlier date of priority; and
- (g) If it is contrary to public policy or to public morality.

5.7 Design Registration

In order to obtain design protection in Tanzania and Zanzibar, a design must either be registered in the United Kingdom or by ARIPO. Applications for the registration of industrial designs under ARIPO Protocol can be lodged at the Tanzanian Industrial Property Office (Receiving Office which will transmit the same to ARIPO office) or directly with ARIPO.

Having receiving the application, ARIPO will conduct examination as to form. If all the requirements have been met, the ARIPO office will transmit copies of the application to all the designated states. If the application is refused, the applicant may request for conversion of a refused application into national application. Such request may be made within three months from date of refusal by ARIPO. However, basing on the reason that there is no registration procedure provided under the local legislation in Tanzania, it is not possible to convert refused ARIPO application into national application. Designated states may within six months of such notification decline to protect the design in their territories on the basis that it does not comply with provisions of the Protocol and or their national laws.

5.8 Duration of Protection

The Patents Act provides that the rights and privileges of proprietors of designs registered in the United Kingdom are extended to Tanzania and Zanzibar during the term of design registration¹⁹⁹.

An industrial design granted by virtue of the Protocol on Patent and Industrial Designs within the Framework of African Region Industrial Property Organization (the Harare

¹⁹⁹ Section 75 of the Patent (Registration) Act, Cap 217 R.E 2002

Protocol), 1982) in respect of which United Republic of Tanzania is a designated state, the grant have the same effect in Tanzania and Zanzibar as a if an industrial design was granted under the Tanzanian law. If the Patent Office communicates to ARIPO office indicating its objection to grant of an industrial design, the grant by ARIPO has no effect in the United Republic of Tanzania until a decision is made in accordance with the provisions of the Harare Protocol.

Designs registered by ARIPO designating Tanzania are protected initially for ten years from the date of filing. Design protection can be renewed at ARIPO for further periods and the maximum duration of protection may be 25 years from the date of application.

5.9 Design Infringement

Design right is infringed when a design is copied so as to produce article which is exactly or substantially to the design. To establish infringement, the claimant must establish that there was copying of his design. Copying might be inferred by demonstrating that the person accused of copying the design has had an opportunity to copy the design and that there is a substantial similarity between the alleged infringing article and the design said to have been copied.

Infringement may be primary or secondary. It is primary where the defendant manufactures or makes a design document to enable the manufacture of an infringing article or authorises another to do such acts. Secondary infringement covers importing for commercial purposes; or offering or exposing for sale or hire in the course of business; selling, letting or hiring in the course of a business; or possessing for commercial purposes an infringing article.

5.10 Remedies for Infringement

- i. An injunction preventing the continuation of further commission of infringing acts;
- ii. Damages for the design owner's lost profits or an account of the profits made by the infringe;

- iii. Delivery up or destruction of infringing articles in the possession or control of the infringer;
- iv. Disclosure of the identity of the supplier of the infringing articles, where relevant; and interests and cost.

Seminar Questions

Critically discuss the legal regime for the protection of Industrial designs in Tanzania.

TOPIC SIX

TRADE SECRETS (LAW OF CONFIDENCE)

6.0 What is a trade secret?

Trade secrets law is concerned with the protection of technological and commercial information not generally known in the trade against unauthorized commercial use by others. The policy basis for trade secret protection is the desire to encourage research and development by providing protection to the originator of business information, and also to maintain proper standards of business ethics. See *Kewanee Oil Company v. Bicron Corp.*, 416 U.S. 470 (1990). The trade secret owner is not granted exclusivity to the information, but rather is only protected against improper acquisition and/or use of the information²⁰⁰.

A trade secret is any formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it. It is any information that can be used in the operation of a business or other enterprise and that is sufficiently valuable and secret to afford an actual or potential economic advantage over others²⁰¹.

According to TRIPS Agreement a trade secret is commonly defined to include but not limited to, technical or non technical data, a formula, pattern, compilation, programme, device, method, technique, drawing process, financial data, or a list of actual or potential customers or suppliers that:

- is sufficiently secret to derive economic value, actual or potential, from the fact that it is not generally known to other persons who could obtain economic value from its disclosure or use; and
- whose secrecy is achieved thanks to its holder's reasonable efforts²⁰².

²⁰⁰ Barnard *et al*, United States trade Secrecy Law, at pg 1.

²⁰¹ *Ibid*, at pg 1

²⁰² See section 7, Article 39(2) of TRIPS Agreement.

Trade secrets have three main elements: the information must be **secret** in itself, it should have **economic commercial value**, and the holder must show **reasonable efforts** steps to keep the information secret (e.g. confidentiality agreements).

Secrecy

Information that is the subject of trade secrets should be confidential. Information is secret when it is **not generally available to the public or readily accessible**. It happens that apart from its owner, persons other than the owner may know of the secret. However if this disclosure was confidential (for example to employees or business partners) or bound by secrecy, this will not destroy the status of the trade secret.

6.1 Economic value

The second element is the economic value of the trade secret to the business. The trade secret economic value factor is interconnected with the element of secrecy. The value of a trade secret should be significant and provide some sort of economic benefit to the company.

Factors to consider when determining the existence of trade secret

1. the extent to which the information is known outside the business;
2. the extent to which it is known by employees and other involved in his business;
3. the extent of measure taken by him to guard the secrecy of the information;
4. the value of the information to him and to his competitors;
5. the amount of efforts or money expended by him in developing the information;
and
6. the ease or difficulty with which the information could be properly acquired or duplicated by others.

6.2 Reasonable steps to insure the secrecy of information

The third element includes the reasonable steps to keep the information secret. This element is also a very important feature. During the lawsuits the courts examine whether

or not the owner of the information has taken **necessary and reasonable precautions** to safeguard the information.

This means that it is up to the claimant of the trade secrets to show that he has a secrecy policy, within its normal business procedures. This can be some form of marking of the information as “Confidential”, some restricted access to that information, perhaps provisions in its employment and other agreements dealing with this information and etc. However there must be a **written policy** in effect regarding disclosure to employees and others, that defines what the information is and how and under what circumstances it can be used and by whom. The written policy demonstrates guarantee to protection which plays an important role in litigation

A trade secret is a process or device for continuous use in business operations and important and/or critical to the functioning of a company. These are technical, technological and manufacturing secrets. The following offers an idea of the broad range of what these could be:

- data compilations, for example lists of customers (the more information a list contains, the more likely it is to qualify for trade secret protection), list of special suppliers
- Formulas for chemicals, drugs, cosmetics, foods, etcetera.
- information about research and development activities
- Industrial Processes
- Know-how, i.e., technical information relating to the practical application of patented or unpatented inventions.
- Sources of supply, pricing information, identity of vendors or suppliers, and customer lists.

6.3 Importance of trade secrets protection

Nowadays the importance of trade secret protection and the development and implementation of information protection practices has increased due to the dynamic development of the business environment. As national and international frameworks of

intellectual property rights (IPRs) evolve, designed mostly to encourage innovation, the regulation of trade secrets is gaining attention more than ever before. When legal protection is given to products that are the result of investment in research and development, protecting a trade secret is, in certain cases, the preferred form of intellectual property protection in the information economy.

6.4 Distinction between patents and trade secrets

Because of their confidential nature which requires disclosure to obtain legal protection, trade secrets are not protected in the same way as other forms of intellectual property, such as patents, copyrights, or trademarks, are. Yet trade secret protection offers a much broader scope than patents, trademarks, or copyrights. A patent requires that the invention is novel, useful, and non-obvious, has been disclosed to the public, and conforms to a definition of patentable subject matter. Trademarks protect only the printed word or image referencing a product or service in commerce. Copyrights protect only the manner of expression, but not the content - the idea, information, or concept - being transmitted. Unlike patents, trade secrets can protect unpatentable subject matter. They do not need to be novel or non-obvious.

Trade secrets are protected without any registration or the fulfillment of any formal requirements or procedures to any official authority for protection. Therefore, a trade secret can be protected without limitation in time; as long as it is kept confidential.

Trade secret protection may be advisable:

- When the secret relates to a **manufacturing process or invention**;
- When the trade secret is **not considered to be of such great value** as to be considered worth a patent;
- When the secret is **not patentable**;
- When it is likely that the information can be kept secret for a **considerable period of time** for over 20 years (period of protection of a patent);

- When an enterprise has applied for a patent and **is waiting for the patent** to be granted. For example, in some countries an invention must be kept as a trade secret until it is decided whether to continue to keep it further as a trade secret or to patent it.

6.5 Protection of Trade Secrets (Measures to be taken)

The owner of a trade secret should take measures to protect and maintain its **confidentiality**. A common way of doing so is to include **confidentiality agreements within employees' contracts**, sign nondisclosure agreements with employees during and after employment, and also oblige them not to use the trade secret for competition purposes (e.g. with a view of running their own competitive business); as well as sign **confidentiality agreements with business partners** whenever disclosing confidential information with licensees and financial partners. In order to restrict access to the information, **technical means of protection** can also be applied: It is recommended that a company undertakes physical security measures such as periodic security checks, closed-circuit monitors, monitoring or restricted access to computer-stored data and restricted access to computers and classified areas.

Educate employees on issues related to information Security

During the course of the employment relationship, employees must be made aware of their **fiduciary duty** to protect confidential information and be periodically educated about situations that may result in the disclosure of trade secrets. **Employee education** must be an integral part of any trade secrecy programme. An employee who has legitimate access to an employer's trade secret has to treat that information with great care. For this reason there should be processes in place for notifying employees of the company's trade secret rights and for protecting trade secrets as they are used in the company's business operations. Education on issues related into information security makes trade secret protection part of the enterprise culture and trains employees on information security policy. Training and awareness are without a doubt the most cost-effective aspects of any protection programme.

Mark documents and restricts public access

Another measure to be taken in order to protect trade secrets is **restricting public access** to the confidential information. It is necessary to limit the information to key personnel and only on a need-to-know basis. Protection of trade secrets can also be achieved by limiting access to the archives or other rooms where confidential papers are stored and to restrict the access control through appropriate authorisation. Physical restrictions, especially regarding visitors and other outsiders, which limit access to organization facilities and to areas containing valuable information, especially trade secrets of course, are essential. In addition other measures that can be taken to restrict public access to facilities include:

- Maintain logbook and visitor's pass;
- Accompany visitor;
- Make areas visible to anyone walking through a company's premises, for example, type of machinery, layout, physical handling of work in progress, etc.;
- Password control for access, record of document accessed by employees, biometric palm readers, wherever necessary;
- Guards and surveillance cameras; overheard conversations; documents left in plain view; unattended wastebaskets. Another good way to protect trade secrets is to clearly **mark documents**, for example as "Confidential".

Joint Venture

A joint venture is a form of alliance between two separate companies. Information may be most valuable when it is licensed to others or forms the basis for a joint venture or similar cooperative arrangement. Before entering into a joint venture or similar arrangement, the parties should negotiate and sign a detailed agreement addressing ownership and protection of confidential information.

Joint ventures typically involve two types of confidential information – information contributed by the venturers and information developed as a result of the venture. The

joint venture agreement should address ownership and protection of each type of information, both during and after the joint venture.

6.6 Misappropriation/infringement of trade secrets

Trade secret misappropriation occurs where someone acquires, uses and/or discloses a trade secret to a third party without permission and in an improper manner. Typical examples include illegal acts such as theft, bribery, or obtaining protected information fraudulently or through illegal surveillance, misrepresentation, breach or induced breach of a duty to maintain secrecy, or espionage by electronic or other means.

Trade secret misappropriation typically falls into two areas - where the trade secret is misappropriated by someone who had proper access to it (internal thefts) and where the trade secret is misappropriated by outsiders (external thefts). This is why, when transferring a trade secret, its owner should pay great attention to confidentiality provisions and to the efficiency of court injunctions that can be obtained locally to prevent unauthorised disclosure.

To establish **violation of trade secret rights**, the owner of a trade secret must be able to show that:

- Infringement by or competitive advantage gained by the person/company which has misappropriated the trade secret.
- The owner had taken all reasonable steps to maintain it as a trade secret.
- There is misuse as information obtained has been used or disclosed in violation of honest commercial practices.

Trade secrets infringements by third parties are generally considered as **torts**.

6.7 Defences

1. Authorisation
2. Innocent disclosure

3. The information is not secret

A trade secret owner is only protected from unauthorized disclosure and use of the trade secret if the other party did not have the permission to use or disclose the information and the trade secret is either acquired through improper means or another person knew or had a reason to know that it was acquired through improper means. If they were innocent of this fact (where, for example, a third party wrongfully acquired your trade secret and sold it without letting on that it was a trade secret), that innocence can be used as a defence claim of misappropriation.

6.8 Remedies

Remedies against trade secrets violations include:

- A court order to stop the person from further illegal acts (injunction)
- A court order for getting monetary compensation (damages, lost profits, unjust enrichment, etc.)
- Seizure order (to check defendant's premises, to take evidence, etc.)
- Precautionary confiscation/seizure of articles that include misused trade secrets, or products resulting from its use or misuse.
- Criminal sanction

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TOPIC SEVEN

GEOGRAPHICAL INDICATIONS

7.0 Introduction

Geographical indications²⁰³ (GIs) are signs/names which identify a good as originating in the territory of a particular country, or a region or locality in that country, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin. It is a separate type of intellectual property. It is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin. It can also be defined as any indication that identifies a good as originating from a particular place, where a given quality, reputation or other characteristics of the good are essentially attributable to its geographical origin. GIs consists of the name of the place of origin of the good, such as Jamaica Blue Mountain or Darjeeling, Champagne, Malaga, Madeira etc.

There are three major conditions for the recognition of a sign as a geographical indication:

- it must relate to a good
- these goods must originate from a defined area;
- the goods must have qualities, reputations or other characteristics which are clearly linked to the geographical origin of goods.

The main function of GIs is to identify the origin of goods. They point to a specific place or region of production that confers particular characteristics and qualities on the product. It is important to emphasize that the product derives its qualities and reputation

²⁰³ It is some time referred as appellation of origin or indication of source. An **appellation of origin** is a special kind of geographical indication. It generally consists of a geographical name or a traditional designation used on products which have a specific quality or characteristics that are essentially due to the geographical environment in which they are produced. Any expression or sign used to indicate that a product or service originates in a country, a region or specific place. Indication of source on a given product is merely subject to the conditions that this product originates from the place designated by the indication of source. e.g Made in Kenya. In its general use, it has become rather a designation for those indications of source which are not considered to be appellation of origin.

from the place of origin. These signs can acquire a high reputation and commercial value and, for these reasons, may be exposed to misappropriation, misuse and counterfeiting. This is why it is generally recognised that these signs need to be protected.

The majority of GIs throughout the world are applied to agricultural products, foodstuffs, wine and spirit drinks. However, the use of GIs is not limited to agricultural products.

7.1 What is the difference between a geographical indication and a trademark?

Geographical indications and trademarks are distinctive signs used to distinguish goods or services in the marketplace. Both convey information about the origin of a good or service, and enable consumers to associate a particular quality with a good or service.

One of the most important differences between trademarks and GIs is that GIs cannot be sold or delocalized and are accessible to any producer within the specified region of origin, although individual companies are allowed to add their own “sub-brands.” This system of regionalized ownership is a key factor in ensuring that the economic benefits of GI protection are spread along the supply chain, including to the producers who supply the raw materials.

Trademarks inform consumers about the source of a good or service. They identify a good or service as originating from a *particular company*. Trademarks help consumers associate a good or service with a specific quality or reputation, based on information about the company responsible for producing or offering it. Geographical indications identify a good as originating from a *particular place*. Based on its place of origin, consumers may associate a good with a particular quality, characteristic or reputation.

A trademark often consists of a fanciful or arbitrary sign that may be used by its owner or another person authorized to do so. A trademark can be assigned or licensed to anyone, anywhere in the world, because it is linked to a specific company and not to a particular place.

In contrast, the sign used to denote a GI usually corresponds to the name of the place of origin of the good, or to the name by which the good is known in that place. A GI may be used by all persons who, in the area of origin, produce the good according to specified standards. However, because of its link with the place of origin, a GI cannot be assigned or licensed to someone outside that place or not belonging to the group of authorized producers.

7.2 Tanzania Legal Framework for the Protection of GIs

Tanzania is endowed with various climates which are favorable for unique agricultural products as well as natural resources which have special qualities different from similar products found elsewhere. Example of such products are Kyela rice, Magugu rice, distinctive minerals (TANZANITE) just to mention few. However there is no law in Tanzania which protect GIs save for Section 19 of the Trade & Service Marks law which bar registration of marks bearing geographical indications on the basis of causing confusion as to originality.

7.3 International Treaties Relevant for Protection of Geographical Indications

The first efforts to adopt a common approach to intellectual property resulted in the Paris Convention on the Protection of Intellectual Property which was adopted in 1883. The Convention concerned all aspects of intellectual property and not just geographical indications.

The 1883 Paris Convention on Intellectual Property

The Paris Convention was the first multilateral agreement, which included “indications of source or appellations of origin” as objects of protection. Article

1(2) of the Paris Convention states:

“The protection of industrial property has as its object patents, utility models, industrial designs, trademarks, service marks, trade names, indications of source or appellation of origin, and the repression of unfair competition”.

The Paris Convention identifies geographical indications as a separate intellectual property right, but does not clearly define this concept.

Article 10(1) of the Paris Convention provides for the certain remedies in respect unlawful use of indications of source on goods, meaning that no indication of source may be used if it refers to a geographical area from which the products in question do not originate.

Article 10 of the Paris Convention does mention appellations of origin expressly. However, they are covered by the term “indications of source” as all appellations of origin are considered to be indications of the source of goods.

Article 11*bis* of the Convention gives the basis for protection against misleading indications of source, including appellations of origin. It obliges members to provide protection against unfair competition and contains a non-exhaustive list of acts, which are to be prohibited.

The Paris Convention does not provide for any special remedies against infringement of this provision. Paris Convention in Article 19 allows the parties *“to make ... between themselves special agreements for the protection of industrial property”*. Two such agreements of relevance to GIs were duly made. These are the 1891 Madrid Agreement and the 1958 Lisbon Agreement.

The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights

A specific Section of the World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights is dedicated to geographical indications. It is the first multilateral treaty dealing with geographical indications as such.

Article 22 of the TRIPs Agreement provides a definition of geographical indications. They are:

“... indications which identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin”.

This definition expands the concept of appellation of origin contained in Article 2 of the Lisbon Agreement to protect goods which merely derive a reputation from their place of origin without possessing a given quality or other characteristics which are due to that place. To be protected a geographical indication needs to be “an indication”, but not necessarily the name of a geographical place.

The TRIPs Agreement contains three distinctions in the level of protection:

- 1) for geographical indications related to all products,
- 2) for wines and spirits, and
- 3) for wines only.

A minimum standard of protection for all geographical indications, whatever the nature of the good to which it is applied, is established by Article 22 of the TRIPs Agreement. The scope of protection is limited to the prohibition of the use of geographical indications by producers not located in the region designated by the particular geographical indication.

The additional protection for both wines and spirits includes three elements:

- the provision of the legal means for interested parties to prevent the use of a geographical indication identifying wines and spirits, not originating in the place indicated by the geographical indication;
- the possibility to refuse or invalidate the registration of a trademark for wines or spirits which contains or consists of a geographical indication identifying wines or spirits at the request of an interested party;
- the call for future negotiations aimed at increasing protection for individual geographical indications for wines and spirits.

An “extra-additional” protection by the TRIPs Agreement for wines only emphasizes the need to accord protection for each geographical indication for wines in the case of homonymous indications and the establishment of a multilateral system of notification

and registration of geographical indications for wines eligible for protection in the jurisdictions of those WTO Members participating in the system.

See also the Banjul Protocol on Marks (the African Regional Intellectual Property) of 1993.

7.4 How to obtain protection for a geographical indication?

Geographical indications are protected in different countries and regional systems through a wide variety of approaches – often by a combination of two or more approaches. Those approaches have been developed in accordance with different legal traditions and within a framework of certain historical and economic conditions.

There are three main modalities of protection for GIs: (a) so-called *sui generis* systems; (b) collective and certification marks; and (c) modalities focusing on business practices including administrative product approval schemes. These approaches involve differences with respect to important questions, such as the conditions for protection or the scope of protection. On the other hand, two of the modes of protection, namely *sui generis* systems and collective or certification mark systems, share some common features, such as the fact that they set up rights for collective use by those who comply with defined standards.

(a) *Sui generis* systems of protection

In certain jurisdictions, GIs may be protected through a system that applies specifically and exclusively to them – a *sui generis* system of protection. Such systems establish a specific right, a *sui generis* right, over GIs, separate from a trademark right or any other IP right. A *sui generis* protection system exists in the EU with regard to GIs for wines and spirits, agricultural products and foodstuffs²⁰⁴. Many other jurisdictions throughout the

²⁰⁴ In 1992, the European Union enacted the EU Council Regulation on the Protection of Geographical Indications and Designations of Origin (Reg. No. 2081/92). The regulation established two types of GI designations: Protection of Designations of Origin (PDO) and Protection of Geographical Indication (PGI). PDO designation means the product is produced, processed, and prepared within the specified geographical area, and the product's quality or characteristics are "essentially due to that area." PGI designation means the product is produced, processed, or prepared in the geographical area, and the quality, reputation, or other characteristics are attributable to that area.

world, such as India, Switzerland, the Andean Community countries and the African Intellectual Property Organization (OAPI), among others, also have *sui generis* systems of protection.

The terminology used to refer to *sui generis* rights over GIs is not uniform. Terms such as *appellations of origin*, *controlled appellations of origin*, *protected designations of origin*, *protected geographical indications* or simply *geographical indications*, are used in different legislation.

Generally, an application for registration of a *sui generis* right should contain a delimitation of the geographical area within which the product identified by the GI is produced; a description of the product's characteristics, quality or reputation; and the standards of production with which users of the right should conform. In certain jurisdictions, the link between the product's characteristics and the geographical area must be substantiated. All those elements are contained in a document, which is sometimes called "the product specification".

In addition, *sui generis* systems of protection usually require that verification and control schemes be put into place to ensure that users of the GI comply with the agreed standards of production.

A *sui generis* right protects at the very least against any use of the GI that would mislead consumers as to the true geographical origin of the product, or that constitutes an act of unfair competition. Geographical indications identifying wines and spirits are further protected against any use by an ineligible or unauthorized person, even where such use does not result in consumers being misled or in an act of unfair competition. In some jurisdictions with a *sui generis* system, such "additional protection" is afforded to GIs that identify other types of products as well. Furthermore, some *sui generis* systems protect GIs against use in a translation, or against imitation or evocation.

See Babcock, S.B. and Clemens, R (2004) Geographical Indications and Property Rights: Protecting Value-Added Agricultural Products, MATRIC Briefing Paper 04-MBP 7, Midwest Agribusiness Trade Research and Information Center, Iowa State University, at pg. 3 - 4

(b) Collective marks and certification marks

Some countries protect GIs under trademark law, more specifically through collective marks or certification marks. This is the case, for example, in Australia, Canada, China and the United States of America.

What is meant by a collective mark or certification mark (or, in some countries, guarantee mark) differs from country to country. However, a common feature of these types of marks is that they may be used by more than one person, as long as the users comply with the regulations of use or standards established by the holder. Those regulations or standards may require that the mark be used only in connection with goods that have a particular geographical origin or specific characteristics.

In some jurisdictions, the main difference between collective marks and certification marks is that the former may only be used by members of an association, while certification marks may be used by anyone who complies with the standards defined by the holder of the mark. The holder, which may be a private or a public entity, acts as a certifier verifying that the mark is used according to established standards. Generally, the holder of a certification mark does not itself have the right to use the mark.

Protection for GIs registered as collective or certification marks is provided for under general trademark law. In other words, protection is afforded against use in the course of trade by third parties without the owner's consent, of identical or similar signs for identical or similar goods, where such use would result in a likelihood of confusion.

(c) Laws focusing on business practices

Geographical indications may be protected through certain laws that focus on business practices, such as laws relating to the repression of unfair competition, consumer protection laws or laws on the labeling of products.

These laws do not create an individual industrial property right over the GI. However, they indirectly protect GIs insofar as they prohibit certain acts that may involve their unauthorized use.

The modes of protection for GIs do not necessarily apply on a mutually exclusive basis. In some jurisdictions, it is possible to combine different means of protection. Thus, a GI can be protected through a *sui generis* system, for example as an appellation of origin, and also as an individual or a collective mark. A mark may be used to protect the product label, which can include the GI and an additional figurative element affixed to the product to indicate to consumers that it complies with the product specifications for the appellation of origin.

7.5 Potential Obstacles to Protecting a Geographical Indication

There are several obstacles, from a legal point of view, that may arise when seeking protection for a GI, including the following:

Conflict with a prior mark

A GI may be refused protection in a particular territory if the authority in that territory considers that the GI is identical or similar to a trademark previously applied for, registered or acquired through use, in good faith, and that use of the GI would result in a likelihood of confusion with the trademark.

Generic character

A GI may be refused protection if the competent authority considers that the sign constitutes the common name for the kind of product or service to which it applies.

Homonymous geographical indications

Homonymous GIs are those that are spelled or pronounced alike, but which identify products originating in different places, usually in different countries. In principle, these indications should coexist, but such coexistence may be subject to certain conditions. For example, it may be required that they be used in association with additional information as to the origin of the product in order to prevent consumers from being misled.

A GI may be refused protection if, due to the existence of another homonymous indication, its use would be considered potentially misleading to consumers with regard to the product's true origin.

The indication is the name of a plant variety or animal breed

In certain jurisdictions, protection may be refused to a GI if it conflicts with the name of a plant variety or an animal breed and may, as a result, mislead the consumer as to the true origin of the product.

7.6 Protection of Geographical Indications in International Level

There are four main routes for protecting a GI in international level:

- by obtaining protection directly in the jurisdiction concerned;
- through the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration;
- through the Madrid System for the International Registration of Marks (in which the GI concerned is protected in the country of origin as a collective or certification mark); and
- by concluding bilateral agreements between States or commercial partners.

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WIPO, Geographical Indications: An Introduction

TOPIC EIGHT

PROTECTION OF NEW PLANT VARIETIES/PLANT BREEDERS' RIGHTS

8.0 Introduction

Since the beginning of civilization, humans have endeavoured to alter the genetic structure of plants. They have strived for higher yields, improved nutritional content, stronger fibres, greater pest resistance, resistance to disease and drought tolerance. Over extended periods of time, plant breeders have crossed landraces and introduced foreign varieties or wild varieties into local plant populations hoping a set of desired characteristics would prevail. Through both conventional breeding and biotechnology, agriculture has been endowed with a rich stock of plant genetic resources.

Considering the labour and resource intensities associated with breeding a new variety, legal protection of these “properties” became necessary. Although approaches varies amongst different countries, the Plant Breeders’ Rights system is the most common system used to afford protection to new varieties of plants. Plant breeders’ rights (PBR) evolved since the nineteen thirties when crop improvement became an applied form of genetics practiced by specialized institutions and more frequently commercial seed companies.

Plant Breeders’ Rights (PBRs): is a form of intellectual property rights granted to breeders of new, distinct, uniform and stable plant varieties. The main legislation for protection of plant breeders’ rights in Tanzania is the Protection of New Plant Varieties (Plant Breeders’ Rights) Act, 2002. This Act introduced new and independent protection system for plant varieties not registrable under the Patents Act. The Act, 2002 introduced for the first time in Tanzania a Plant Breeders’ Rights Registry which is separate and independent from the normal Patents Registry. The Plant Breeders’ Rights Registry is headed by the Registrar of Plant Breeders’ Rights (‘Registrar’)

8.1 What criteria must a plant variety meet to qualify for Plant Breeders’ Rights?

An invention concerning plants is protectable if plant breeders' rights with respect to any plant variety are new, distinct, uniform and stable.

Distinctness

A variety is deemed to be distinct if it is clearly distinguishable from any other variety whose existence is common knowledge at the time of the filing of the application for the granting of plant breeders' rights or for the entering of another variety in the official register of varieties in any country.

A variety is in common knowledge if:

- it is, or has been, the subject of a plant variety right in any country;
- it is, or has been, entered in an official register (ie National List) of plant varieties in any country; or
- an application for Plant Breeders' Rights or entry in an official register is under consideration in any country, provided the application is successful.

A variety may also be in common knowledge if it is already in cultivation, has been exploited for commercial purposes, is held in a recognised reference collection or has a precise description in any publication.

Uniformity

A variety is deemed to be uniform if, subject to the variation that may be expected from the particular features of its propagation, it is sufficiently uniform in those characteristics which are included in the examination for distinctness. i.e variations within that variety are describable, predictable, and commercially acceptable.

Stability

A variety is deemed to be stable if those characteristics which are included in the examination for distinctness, as well as any others used for the variety description, remain unchanged after repeated propagation or, in the case of a particular cycle of propagation, at the end of each cycle.

Novelty

A variety is generally deemed to be new if it (a) has not been sold, or otherwise disposed of to other breeders within Tanzania for trade or otherwise with the consent of the breeders (except for recognized and necessary testing purposes, made earlier than one year prior to the date of the application); and (b) has not been sold or otherwise disposed of to other breeders in any other country with the consent of the breeder (except for recognized and necessary purposes, made earlier than four years before the date of the application in respect of varieties other than trees of vine, for which the effective period is six years before the date of application).

A person applying for the protection of new plant variety must, at the time of application, propose a name for the new variety, which must be subject to the approval of the Registrar. After a name has been approved for a new variety, no other name or denomination may be used in connection with that variety, whether before or after the expiration of the plant breeder's rights with respect to that variety. The breeder is not allowed to assert any right with regard to the denomination, which will prevent or limit the right of another person to use the denomination in connection with the variety.

Plant Breeders' Rights entitle the holder to prevent anyone doing any of the following acts as respects the propagating material of the protected variety without authority:

- production or reproduction (multiplication);
- conditioning for the purpose of propagation;
- offering for sale;
- selling or other marketing;
- exporting;
- importing; and
- stocking for any of the purposes mentioned above.

In order to maintain the plant breeders' rights, the holder must pay an annual fee in advance, starting with the second year after the date of filing of the application. The

holder who fails to pay annual fees on the due date may, upon payment of a surcharge, pay the fee at any time in the following six months without affecting the plant breeders' rights. If the fee is not paid within this period, the plant breeders' rights will lapse, and the Registrar will cancel the right. At any time within twelve months following the expiration of the period six months, the holder may petition to the Registrar for restoration of the plant breeders' rights. The Registrar may grant a request for restoration of plant breeders' rights if he determines that the failure to pay was unintentional, and if the holder pays all annual fees and surcharges necessary to restore the plant breeders' rights current. If the plant breeders' rights are restored, the holder is not allowed to bring any action for infringement of the right, where the infringement arises out of any action and event occurred after the lapse of the plant breeders' rights and before the date of the order of restoration.

IN GOD I TRUST

KUN FAYA KUUN

RAJABU A.M.CHAMKWEA (BACHELOR OF LAWS-UDOM)