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A Federal High Court sitting in Lagos Nigeria on June 27<sup>th</sup> 2011 awarded N1.2 Billion damages against GlaxoSmithKline Consumer Nigeria Plc. (GSK) and its parent company Smithkline Beecham Plc. of the United Kingdom for trademark infringement. The suit was brought by a local pharmaceutical company, Continental Pharmaceutical Company Ltd (CPL). Perpetual injunctions were also imposed on GSK restraining her and her agents from adopting the features of the Plaintiff’s registered mark. Such mark being, the eclipse logo with blue and white package design for the manufacture and sale of “Panadol” and “Panadol Extra”. The case which has had a 16 year history culminated in the dismissal of the counterclaim of GSK.

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It was held that GSK illegally adopted CPL’s mark to deceive the buying public in an attempt to pass out their product as CPL’s. The court barred GSK from importing, manufacturing, selling or supplying any analgesic preparation containing “Paracetamol” bearing the name “Panadol” or “Panadol Extra” in any container or packaging with the logo closely resembling the registered trademark for “Conphamol” to mislead the public. GSK’s submission that it had been marketing “Panadol products prior to 1981 were dismissed by the court as such marketing if true does not derogate from the GSK’s breach of CPL’s trademark. The case also decided a breach of copyright of CPL by GSK such being the illegal use of the artistic work /design of CPL’s packaging.

**Comment:** it is instructive to note that the case turned on who the registered mark holder was. Despite GSK’s evidence that it had been marketing her products before 1982 when the mark for Conphamol was finally registered, it was held that CPL being the registered mark holder was entitled to damages. The moral of this case is that irrespective of how seemingly popular a product is the holder of a registered mark will be vindicated if such product is found to be infringing a registered mark. It is noteworthy that GSK’s product in Nigeria is synonymous with painkillers that the brand name “Panadol” is taken to represents all analgesics irrespective of their brand name



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### **Talk show Contract Dispute: Which forum has the jurisdiction?**

In a recent case the General Assembly of the Court of Appeals in Turkey focused on an agreement between a Television production company and a Turkish showman regarding the showman's role in hosting and acting in talk shows, contests or television series. The showman terminated the agreement and the production company filed suit before the Commercial Court of First Instance, requesting a contractual penalty and indemnification of damages arising from the unfair termination.

The Court decided that the agreement between the parties was artistic in nature and should be governed by the Law on Intellectual and Industrial Rights (Law 5846), and thus the competent court to settle such dispute was not the Commercial Court, but rather the Intellectual and Industrial Rights Court. The production company appealed the decision and insisted that the agreement between the parties should instead be evaluated as a work agreement, not by Law 5846.

The General Assembly examined the legal nature of the agreement between the parties to determine whether it was a work agreement governed by the Code of Obligations or an artwork agreement governed by Law 5846. In its decision, the General Assembly stated that in order for a case to be heard before the Intellectual and Industrial Rights Court as a dispute over an artwork, the plaintiff should rely on IP rights or the ownership of such rights; however, in this case the production company did not rely on any such rights or their ownership.

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Turkish Law defines 'artwork' as "any intellectual or artistic product which carries the characteristics of its owner and which is considered as an intellectual, literary, musical, fine artistic or cinema work". According to the definition, in order for a work to be deemed an artwork, it must meet the following criteria:

- The objective criterion - the law mentions a 'product'; thus, an artwork should exist as a physical entity.
- The subjective criterion - in order to be deemed an artwork, the product must also demonstrate the characteristics of its owner.

The Court stated that pursuant to the relevant law, in a work agreement the contractor undertakes to produce something in return for a fee to be paid by the client. Provided that they are produced as a result of human efforts, it is accepted that intellectual products fall within the concept of work.

Considering the above definition of the work agreement, the court decided that since the plaintiff had requested the indemnification of damages and a contractual penalty arising from a work agreement, which is governed by the Code of Obligations, the dispute between the parties should be settled before the Commercial Court of First Instance in accordance with the Code of Obligations.

**Comment:** This decision highlights the confusion that often comes into play when one considers entertainment/media business contracts. While on one hand the contracts are often employment contracts it is apparent that the parties (particularly artistes) often create some intellectual property work so also the employers (in some instances). The knotty issue that often comes into play is the applicable forum to go to when there are issues of dispute resolutions. In Nigeria, the



State High Court (at times the National Industrial Court) has the jurisdiction to hear suits bothering on simple contracts of employment. However it is the Federal High Court that has exclusive jurisdiction in matters bothering on Intellectual Property Rights. The situation in Turkey is thus similar to that of Nigeria and the reasoning in the present case may be of help in similar cases in Nigeria. The two dissenting votes in the Turkish Court of Appeal may then be instructional. In one, it was stated that although the agreement was a hybrid agreement, its principal element fell within the scope of Law 5846 and thus the decision of the Commercial Court of First Instance was correct.

The second dissenting vote argued that in terms of work agreements governed by the Code of Obligations, the subject matter, content, type and even the materials of the work are determined by the client; whereas at the execution date of the agreement subject to the lawsuit, there was no work that satisfied the definition of 'work' in the Code of Obligations. Therefore, the agreement was not a work agreement subject to the Code of Obligations and thus the competent court to settle the dispute was the Intellectual and Industrial Rights Court. In effect just as in Nigeria the boundaries of what constitutes art and thus raises IP issues and what constitutes simple employment is still blurred in Media and Entertainment Contracts

### **Everyman's House is His Castle**

Everyman's home is his castle goes the popular saying. Architects can further assert that a drawing of such homes even while on paper is their gold. On January 6 2011 the Supreme Court of Denmark ruled in **SeaWest v De jyske Arkitekter** in favour of an architect whose initial drawings were used without his consent.

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In 2004 an entrepreneur asked a firm of architects to create an outline plan for a "skipper's house". The architects created the outline plan and offered to plan an unspecified number of houses for a total price of Dkr188, 000. The entrepreneur rejected the offer, but thereafter, despite the architects' objections, built 144 skipper's houses as part of a major project of approximately 300 holiday homes. In a newspaper article in connection with the project, another firm of architects was mentioned in connection with the houses. The architects made a claim for payment of fees, compensation for loss of contribution margin and compensation and the imposition of a fine for the illegal use of the drawings.

The entrepreneur admitted that he had violated the architects' copyright, but claimed that the compensation could be no higher than the amount which the architects had claimed in the 2004 offer.

The High Court found that the entrepreneur had deliberately violated the architects' copyright, and that thus it must pay compensation under the relevant provision of the Danish Copyright law. Following a statement from a relevant professional organisation, the total amount was estimated at Dkr1.625 million, including value added tax (VAT). This included compensation of Dkr37,500, including VAT, for non-economic damage due to the architects' lack of exposure in connection with building the houses and a fine of Dkr30,000. The architects were not compensated for loss of contribution margin. In addition, the entrepreneur was ordered to pay Dkr140, 000 in costs. The Supreme Court upheld the High Court's decision and ordered the entrepreneur to pay Dkr82, 500 in costs.

**Comments:** The position upheld by the Danish Supreme will probably hold in



Nigeria as The Copyright Act Cap C28 Laws of The Federation 2004 in its S: 6(3) give the same protection to Architects whose works are illegally copied or used. What is important to note in this case is that the architect was protected despite the fact that the entrepreneur rejected his quote for the job. This shows that the important issue here is not that of contract but of rights over the architect's intellectual property. It is however doubtful if the cost awarded will be so awarded in Nigeria as estimation for compensations is still generally conservative but it would have been better if the entrepreneur had accepted to pay a lesser amount at the negotiation stage rather than expose himself to a higher sum after the illegal exploitation.

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