



## Intellectual Property, SMEs, and Economic Recovery in Nigeria

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Man has been a creative creature from time immemorial. The ability to create, innovate, imagine and invent in the human race, is seen from the historical evolution of Chinese Abacus, Gutenberg printing press, Penicillin, digital technology and so many more. No wonder one of the world's greatest scientists, Albert Einstein, had this to say about imagination: "imagination is more important than knowledge, knowledge is limited. Imagination encircles the world". Imagination feeds the progress of art and sciences. Thus, the power of imagination in solving the world's practical problems cannot be overemphasised.

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Intellectual property (IP) is a term used to describe creations of the mind such as inventions; literary and artistic works; designs; symbols; names and images used in commerce. IP has become topical in recent times and a very important tool in developing any country.

Small and Medium size Enterprises (SMEs) have been described as the bedrock of any growing economy. They are also recognised as the drivers of socio economic growth. Developed countries have historically succeeded because of the focus on SMEs and innovation. Today, over 65% of employment and 50% of Gross Domestic Product (GDP) is contributed by SMEs in the European economy.

Intellectual Property and its forms such as; Copyright, trademark, patents are considered to be tools for empowerment and economy drivers. IP is key to quest for development. Developed countries such as the United States have embraced the legal right of IP and maximised its ability to make out multi-million to its economy from science to literature, arts and other money making ventures. Other developing countries such China which is now a USA competitor followed suit in investing in IP and India which has so many similarities with Nigeria from multiculturalism to multi religion has also embraced IP as an innovation driver.

Patent, which is a form of IP, is important in innovation and SMEs in Nigeria as it secures ownership and gives an exclusive right to an inventor for a particular time. This helps to attract investors because they are practical guide to investment decision making for investors and corporations looking for lower factor prices in the developing country thus, growing the country's GDP. Lately, we have seen so many innovations from Nigeria and due to no proper awareness on IP policies; patent policy, most scientific and technological innovation has not been able to make any improvement on the Nigerian economy.

Patents can also serve as incentives to attract innovation and invention; Patent right gives you room to exercise ownership (monopoly) which would sure boost entrepreneurship as Schumpeter suggested, that some degree of monopoly would enable entrepreneurship innovation and invention to boost the economy. The quality of Patent law shows the commitment of the government to its development and interest to better the lives of its citizens as well as provide a conducive business environment for both SMEs and investors. The saying, 'A tree does not make a forest' has contributed to increase in the market term 'Mergers and Acquisition'.

In 1997, Texas instrument paid a staggering \$395 million to acquire start-up Communication Company 'Amanti communication'. It surprised many on how a large semi-conductor company would pay such heavy sum for a start-up. However, the secret to this staggering acquisition was in the fact Amanti communication held 25 key patents on Digital Subscriber Line which was going to be a modern wave in communication. In recent times, Nigeria's start-up Fintech, Paystack was acquired by American company Stripe with a ground breaking \$200million. This could have not been achieved if IP policies were not put in place. IP in relation to Mergers and Acquisition could be said to be the petal of SMEs attracting supportive insects (investors and acquirers) to the nectar (SMEs) leading to birth of a whole new economy.

Furthermore, agriculture which was Nigeria's main stay before the oil boom, has suffered negligence. However, there has been some current awareness on the revival of agriculture to help in the diversification agenda. IP sure serves a vital role in revamping agriculture from subsistence to commercial and dealing with issues of food security. Nigeria has about 80% of its population living at the poverty margin and the World Trade Organisation has deemed it fit to introduce agricultural IPRs for developing countries. Modern agriculture dealing with research

and biotechnology needs protection and patency of innovation. These Research and Development (R & D) activities help to improve seeds and livestock. With patent right policies governing agricultural products, Nigeria is able to maximise its research and can commercialise such research by selling of patent to other countries or in bilateral free trade arrangements, thus, generating foreign revenues.

The room IP gives entrepreneurs to innovate and allow the leveraging of private sectors in resolving the issue of hunger through the modified seeds from research and biotechnology is what Nigeria needs to alleviate poverty and grow economy.

Trademarks cannot be neglected as an Intellectual Property. Especially in the creative and arts. IP has strong and intense impact in this industry. Ranging from the fashion industry which has contributed about 0.47% to the GDP in a decade and the sub-Saharan is projected to be able sweep in \$31 billion per annum and Nigeria has contributed about 15% of this. This has potentials in launching Nigerian prêt-à-porter brands to new competitiveness with foreign brands; moving an oil dependent economy to a diversified economy. The USA has really been a frontier in the use of IP right and the fashion industry has also accessed these legal rights for their designs, logos, patterns and lots more. IP policies help Small and Medium scale Enterprises (SMEs) to protect their designs through trademark registration and their assets through copyright protection laws as this helps build customer-designer relationship because designs are exclusive to designers and cannot be infringed by others. Thereby, keeping customers and lovers of a particular brand to that brand thus, bringing in revenue to the Fashion House and designer in turn growing the economy of the nation.

This also gives fashion house legal standing to pursue any case of infringement, as in the case of Christian Louboutin who filed a case against Yves Saint Laurent (YSL) on infringement of the

red colour sole that was claimed to be exclusive to Louboutin design. So many other cases and law suits have been filed against designers for infringement. With the advent of run way shows like the Lagos fashion week which helps designers both small, medium and large fashion houses to be able to showcase their creativity.

On the heels of IP policies, designers are at lower risk of having their designs stolen. Therefore, IP's importance on the fashion industry has and will continue to be a key instrument to diversification. The Nigerian movie industry which is considered as one of the largest is ranked second just after Hollywood, has suffered its share of IP infringement in the past years. There has always been the case of piracy. This is a major discouragement to SMEs. However, with IP policies such as copyright, recent Nollywood blockbusters like Wedding Party sequel grossed a whopping one billion naira and so many other movies has followed suit. This record shows that with a strong investment in IP policies, SMEs can make headway in the entertainment industry in Nigeria.

There is no doubt that creativity is the most important human resource of all.' Without creativity there would be no progress' -Edward de Borno. Hence, Intellectual Property and SMEs as a power tool in economy recovery in Nigeria cannot be aggrandised. Therefore the need for IP rights to be implemented by SMEs to alleviate Nigeria from oil dependency and recover economy.

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