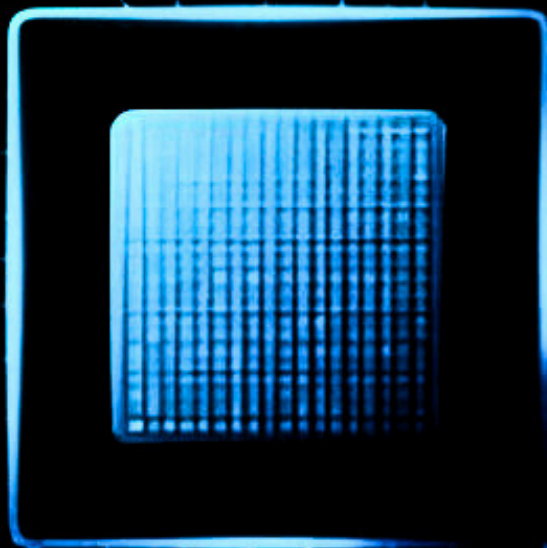


IP AND THE NIGERIAN CREATIVE ECONOMY: WHY FOUNDERS ARE LEAVING MONEY ON THE TABLE

Nigeria's creative economy generates enormous commercial value, but huge amount of IP value are still left on the table every year because creators and founders don't know how to protect, license and market the value they can offer through their products.



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INTRODUCTION

Film, music, fashion, digital content, gaming, and design, as well as the technology platforms that distribute and monetise creative work, are among Nigeria's fastest-growing sectors and among its top exports to the world. Nollywood is the second-largest film industry in the world by volume with the industry projected to surpass ₦20 billion in gross box office revenue by the end of 2026. The Nigerian music industry is attracting international commercial interest in a way that seemed impossible a decade ago. Nigerian fashion, design, and digital content are gaining commercial sophistication.

Yet the intellectual property infrastructure that should capture and compound this creative output is, in most cases, inadequate. Rights are often unregistered, while contracts are either missing or poorly drafted. Some licensing arrangements are informal or nonexistent.

As a result, revenue that should accrue to Nigerian creators and the businesses that deal with them instead flows to distributors, platforms and counterparties that have better legal frameworks for protecting their interests. This highlights five key IP strategies that businesses in Nigeria's creative economy must adopt and the mistakes that are currently costing them money that must be avoided.

1 REGISTER TRADEMARKS EARLY

Trademarks must be registered early before the brand is valuable enough to be stolen or adapted by competitors. Nigeria follows a 'first-to-file' rule. This means the legal owner is the person who registers the trademark first, regardless of who created the brand or used it in the market first.

So the commercial consequence for a Nigerian creative brand that has not registered its trademark is that its name, logo, or distinctive mark can be registered by a competitor, distributor, or anyone who has seen the brand as commercially valuable and has moved to take it away.



Once another party has registered the mark, the original creator has to either litigate (which is expensive, slow and uncertain) or make arrangements with the registered owner (which may be commercially damaging).

Currently, the Nigerian Trademarks Registry processes applications for a lengthy time, from the time of application to registration. This means that trademark registration should be initiated before a brand attains commercial significance, not after. The cost of a trademark application is small but the cost of having to fight a trademark dispute or losing the right to use your own brand name is not.

2. IP ASSIGNMENT CLAUSES IN EVERY CONTRACT

Intellectual Property Assignment Clauses in Every Designer, Developer, and Content Creator contract exist from the moment of creation, but the owner of that copyright is the creator and not the person who commissioned the work in Nigeria.

It means a Nigerian fashion brand paying a designer to create a collection, a technology company paying a developer to build its platform, or a music label paying a producer to make a recording - all of these businesses may not own the intellectual property in what they paid for unless their contracts explicitly say so.

Copyright in a commissioned work is owned by the author unless agreed upon in writing otherwise, as per the Nigerian copyright act. A verbal agreement is not sufficient. A purchase order or invoice is not enough. Those assignments must be in writing and signed by the creator with the IP and terms.

The practical consequence is that all work done by a designer or developer or photographer or videographer or content creator or producer has to be accompanied by a written contract assigning all copyright and associated rights to work or product to the commissioning party by an express agreement.

It should also contain a warranty that the creator owns the rights being assigned and that the work does not violate third parties' rights, as well as a confirmation obligation that the creator must execute all other documents necessary to complete the transfer.

Without these things in place, the business is legally uncertain about who actually owns its creative assets - something that is immediately apparent in due diligence, licensing negotiations, or enforcement actions.



3. ROYALTY AGREEMENTS

Among the most commercially underused tools in the Nigerian creative economy are royalty agreements that generate recurring revenue through IP licensing. Many Nigerian musicians, filmmakers, authors and creators simply hand over the work in full when a properly structured licensing deal could produce steady revenue over a long period without compromising the creator's ownership of the rights behind it.

Some of the specific licensing structures that Nigerian creative economy businesses should be using but which are often not are: synchronization licenses for music used in film, television, advertising, and digital content - where the royalty is paid per use or per download;

print-on-demand or distribution licenses for creative content on digital platforms - where the royalty is paid periodically; and merchandise licensing where a brand or creative asset is licensed to a manufacturer for a royalty on sales

In order to be effective, royalty agreements must include: What is covered by the license - for what purpose - in what territory - and for how long, your royalty rate and calculation basis (a percentage of revenue or a per-unit fee, or a fixed periodic payment), the audit rights of the licensor (the right to inspect the accounts of the licensee to confirm the royalty calculation) are also important. In addition, the termination provisions (where and how the license can be terminated, and what happens to any sub-licenses granted by the licensee) are also discussed.

4. THE NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION (NOTAP) REGISTRATION

NOTAP registration is used to lock in technology licensing agreements, in which foreign technology, know-how, technical expertise, or software is licensed to a Nigerian company. Some technology transfer agreements are legally required to be registered with NOTAP. While unregistered agreements are enforceable. Payments due under the agreement cannot be legally processed through the Central Bank of Nigeria and Authorised Dealer Banks.



Proper registration is vital for Nigeria's creative and tech sectors. Specifically, businesses licensing international software, platforms, or technical expertise must register these agreements with the National Office for Technology Acquisition and Promotion (NOTAP). This registration is a legal prerequisite for Nigerian companies to remit royalty payments or licensing fees to foreign partners through the official CBN foreign exchange market. In order to be registered with NOTAP, the licensing agreement must be reviewed against NOTAP standard requirements - such as maximum royalty rates per technology category - and submitted for approval. Such a process should form part of any international technology licensing arrangement and not be an afterthought once the commercial terms have been agreed upon.

5. EXTENDING PROTECTION ACROSS AFRICA VIA ARIPO

Extension of Protection Across Africa via the African Regional Intellectual Property Organisation (ARIPO). Most creative economy businesses protect their intellectual property in Nigeria and nowhere else. In an environment where Nigerian creative content is distributed, performed and commercially exploited across the continent, this means the IP that generates the business's commercial value is unprotected in the markets where it is earning revenue

A single application process is used to obtain trademark and patent protection in multiple African jurisdictions through the African Regional Intellectual Property Organisation (ARIPO). Currently, Nigeria is not a member of ARIPO, but Nigerian businesses can benefit from ARIPO protection through their international trademark filings.

For creative economy businesses with operations or commercial interests in other African markets, ARIPO registration should be a standard in the IP protection strategy

Beyond ARIPO, the Madrid System operated by the World Intellectual Property Organization (WIPO) allows international trademark registration in over 130 countries with a single application. Nigerian companies whose creative brands are of international commercial importance should adopt the Madrid System to protect their trademarks in the markets where they generate revenue. This ensures that they are not suddenly faced with a situation where their intellectual property is not protected at the outset of an infringement action. .

CONCLUSION

In Nigeria, the creative economy produces world-class content, culture and commercial value. The IP infrastructure that should be capturing that value through registration, licensing, and enforcement is lagging behind the creative output it should be protecting. Those Nigerian creative businesses that are creating long-term commercial value from their creative work have built that infrastructure. They register their trademarks before they need to enforce them, they own the IP in what they commission, they license their work instead of selling it outright, and they protect their brands in the markets they operate.

Please note that the contents of this article are for general guidance on the Subject Matter. It is NOT legal advice.

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