

INDUSTRIAL PROPERTY RIGHTS IN ETHIOPIA*

by Peter Winship**

Although the Commercial Code of 1960 contemplates the promulgation of a special law governing industrial property rights,¹ the Imperial Ethiopian Government has neither promulgated this law nor, with the exception of a draft trade mark law, prepared the appropriate draft legislation. The lack of a comprehensive law has not been disastrous: until recently the number of trade marks and industrial inventions used or created in Ethiopia was very small. A number of different legal theories, moreover, have been or could be used to protect some persons' trade marks or industrial inventions.² However, with the growing number of court cases related to industrial property disputes and of applications for registration in the trade mark and patent registers maintained by the Ministry of Commerce and Industry, the Government must soon examine the need for detailed industrial property legislation. This brief Note argues that although it is possible for some groups to protect their industrial creations the confusion in the present legal situation requires some legislative clarification and the most efficient way to proceed is to prepare and promulgate the comprehensive law contemplated twelve years ago by the Commercial Code.

1. International Treaties.

International treaties are a potential source of industrial property rights in Ethiopia, although at present only the Treaty of Amity and Economic Relations between the United States of America and Ethiopia deals directly with industrial property rights.³ Article IX(2) of this treaty states:

* Refer to the oven and the trade mark cases on p. 227 and p. 234 respectively.

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1. The English text of Article 148(2) of the Commercial Code states that "Patents shall be subject to the provisions of special laws." The Amharic and French texts refer more accurately to "industrial property" rather than "patetns."
2. See E.F. Goldberg, "Protection of Trade Marks in Ethiopia," *J. Eth. L.*, vol. 8 (1972), pp. 130-147 and Section 3 below where I discuss alternative theories for the protection of inventions.
3. U. S. Department of State, *Treaties and Other International Acts* Series 2864. An initial problem with this treaty is whether or not it is self-executing: does Article IX(2) create rights within Ethiopia for persons from the other High Contracting Party or does it merely represent a promise by the Imperial Ethiopian Government that it will promulgate the necessary domestic legislation? For example, may a United States' national protect his industrial inventions in Ethiopia by a civil, as well as a penal, action based on the theory that Article IX(2) creates a property right in the invention in Ethiopia? If a property right is created, then one may run into difficulty with the constitutional requirements of Article 30 of the Revised Constitution, which requires approval by Parliament before ratification by the Emperor for "all treaties and international agreements involving monopolies", on the ground that patent rights create monopolies within the meaning of this Article. In this case, however, the treaty was ratified on 8 October 1953 or before the Revised Constitution came into force and both judicial and doctrinal interpretation would continue to give full effect to the treaty even though Parliament had not approved the treaty. See Aberra Jembere, "Treaty-Making Power and Supremacy of Treaty in Ethiopia," *J. Eth. L.*, vol. 7 (1970), pp. 409-434, at p. 414. If no property right is created, however, has the Imperial Ethiopian Government fully complied with its treaty obligations?

Nationals and companies of either High Contracting Party shall be accorded within the territories of the other High Contracting Party effective protection in the exclusive use of inventions, trade marks and trade names, upon compliance with the applicable laws and regulations, if any, respecting registration and other formalities.⁴

By virtue of this Article, United States' nationals and companies not only have the same rights as Ethiopian persons to protect trade marks and trade names by civil and penal actions (Civ. C., Art. 2057; Comm. C., Arts. 132-134; Pen. C., Arts. 673, 674(1))⁵ but in addition they may also protect other forms of industrial property by a penal action under Article 674(2) of the Penal Code which punishes intentional infringement of "industrial designs or models, or patented inventions or processes, duly registered and protected by existing orders or agreements, national or international."⁶

The U. S. A. - Ethiopia treaty raises several problems of interpretation. For example, has the Ethiopian Government complied with its treaty obligation to accord "effective protection" in Ethiopia to United States' nationals and companies when it has failed to prepare and promulgate a law protecting industrial inventions? Unless one accepts the argument that Article IX(2) is self-executing and therefore by itself creates a property right which can be protected by a civil action, even by a narrow reading of "effective protection"⁷ one can query whether the failure to provide a civil remedy for the protection of inventions means the Ethiopian Government is failing to provide effective protection in its substantive law. Although the United States' Government has not made an issue of this question and an individual presumably could not bring an action to enforce this international obligation, the Imperial Ethiopian Government may find it expedient to forestall any diplomatic question by moving ahead with domestic legislation protecting both Ethiopian and foreign persons.

A further textual difficulty in Article IX(2) relates to the phrase "laws and regulations, if any, respecting registration and other formalities." Ethiopia at present has no formally promulgated legislation governing registration but the Ministry of Commerce and Industry maintains trade mark and patent registers governed by internal rules.⁸ May a United States' national protect his industrial creation in court without following this informal procedure on the ground that it is not formal

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4. Note that only inventions, trade marks and trade names are included in this Article. Protection of other forms of industrial property, such as designs and models, are presumably left to the discretion of the contracting parties.
 5. If Article IX(2) is deemed to be self-executing it may be possible for a United States' national or company to protect his trade marks and trade names in Ethiopia even though he is not in competition in Ethiopia.
 6. The phrase "protected by existing . . . [international] agreements" may cause problems. If the treaty is not self-executing can it be said to protect industrial creations? If the treaty does protect industrial creations, what is the need for Article 674(2)? It is suggested here that Article 674(2) is national legislation implementing treaty provisions such as Article IX(2).
 7. This phrase should be given a narrow reading because of the sensitivity of a Government about submitting the quality of its national legal system to international scrutiny. Thus, it should be read to require only protection in substantive law and no discriminatory procedural burdens.
 8. See section 4 below.

legislation? In the case of trade marks, the Supreme Imperial Court has suggested in *dictum* that registration in accordance with current practice is a prerequisite to protection in an unfair competition action involving trade marks.⁹ To be on the safe side, therefore, the United States' national or company should register with the Ministry even under the internal regulations. In the case of inventions and other forms of industrial property, Article 674(2) of the Penal Code requires registration.¹⁰

Despite these textual difficulties, the result of Article IX(2) is clear: in some cases United States' nationals or companies may protect industrial creations, particularly industrial inventions, within Ethiopia whereas Ethiopian persons may not do so for lack of a special law creating industrial property rights. Although few Ethiopians may have the technical skill or facilities to discover industrial inventions in large numbers and while it may be desirable to encourage the inflow of technology by treaty provisions protecting industrial creations,¹¹ the inequity of treatment—to mention the practical difficulty of piloting each treaty provision through Parliament—should encourage the Imperial Ethiopian Government to approach the problem of industrial property rights directly by preparing and submitting to Parliament an industrial property proclamation to be applicable to all persons acting within the Empire.

2. Eritrean Legislation

During the Italian occupation of Eritrea, the colonial administration promulgated legislation governing the protection of trade marks, inventions and designs.¹²

By virtue of Article 96 of the Constitution of Eritrea adopted in 1952, this Italian colonial legislation remained in force in the federal territory of Eritrea.¹³ As late as March 1962 the Attorney-General's Office in Eritrea recognized these laws as being in force without amendment.¹⁴ Even to-day the Eritrean provincial office of the Ministry of Commerce and Industry continues to accept new applications for

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9. *Azanaw Aleme v. Singer Sewing Machine Co. Ltd.* (Civ. App. No. 1240/56), *J. Eth. L.*, vol. 2 (1965), pp. 220-227, at p. 223. Whether or not one agrees with the Court's reasoning in this case, registration does serve a useful purpose by giving notice to the public about the ownership and use of the trade mark.
10. The discussion in the above paragraph is by no means exhaustive. Specific cases should bring out additional problems. For example, what happens if a United States' national registers his mark after another person registers the same or a similar mark in Ethiopia? Prior registration should not be dispositive as the question to be asked in an action of unfair competition is whether or not a trader has acted "contrary to honest commercial practice" (Comm. C., Art. 133(1)). If the mark was well-known in many parts of the world in connection with similar goods the United States' plaintiff may show that the act of defendant does not meet this minimum standard of morality.
11. See U. N., Department of Economic and Social Affairs, *The Role of Patents in the Transfer of Technology to Developing Countries* (1964) and United Bureau for the Protection of Intellectual Property (B. J. R. P. I.), *Model Law for Developing Countries on Inventions* (1965), p. 17.
12. Published in A. Mori, *Manuale di legislazione della Colonia Eritrea*, vol. 6 (1914), pp. 140-146.
13. Article 96(1) reads: "Laws and regulations which were in force on 1 April 1941, and have not since been repealed by the Administering Authority, shall remain in force so long as they have not been repealed and to the extent that they have not been amended." The Constitution was adopted by the Representative Assembly of Eritrea on 10 July 1952 and ratified by His Imperial Majesty in August of the same year.
14. Memorandum of 12 March 1962 prepared by the Attorney-General's Office in Eritrea (unpublished, Institute of Ethiopian Studies, Addis Ababa).

registration in its trade mark and patent registers in accordance with this legislation.¹⁵

Order No. 27 of 1962, which terminated the federal status of Eritrea,¹⁶ throws doubt, however, on the present legal effectiveness of these laws, at least with regard to applications for registration after the promulgation of the Order. To the extent that the legal validity of these laws is cast in doubt the certainty of protection for their industrial creations which the registrants seek is vitiated.

Uncertainty about the legal validity of legislation in force in Eritrea at the time of promulgating the Order (1962) arises from differing interpretations given to Article 6 of the Order.¹⁷ Article 6 states that until specifically repealed all legislation then in force in Eritrea shall remain in full force "to the extent that the application thereof is necessary to the continued operation of existing administrations." On the one hand, one might argue that prior Eritrean legislation continues in force only if necessary to avoid a breakdown of the local Government administration or to protect vested rights guaranteed by Articles 4 and 5 of the Order.¹⁸ In other words, it would be argued that in the context of the Order as a whole Article 6 is intended to introduce a unified legal system within the Empire so that all citizens of the Empire are subject to the same rules of law. On the other hand, one might argue that the purpose of the Order is not to introduce a unitary legal system but to eliminate some of the unnecessary *administrative* complexities of the Federation: Articles 4, 5 and 6 are intended to ensure that this step disrupts as little as possible vested rights *and* existing laws.¹⁹

15. Interview with Ato Yohannes Berhane, Director-General, Asmara Office, Ministry of Commerce Industry and Tourism, 1 February 1971.

16. Termination of the Federal Status of Eritrea and the Application to Eritrea of the System of Unitary Administration of the Empire of Ethiopia Order, 1962, Order No. 27, *Neg. Gaz.*, year 22, no. 4.

17. The relevant text of Article 6 states:

All enactments, laws and regulations or parts thereof which are presently in force within Eritrea . . . , to the extent that the application thereof is necessary to the continued operation of existing administrations, until such time as the same shall be expressly replaced by subsequently enacted legislation, remain in full force and effect and existing administrations shall continue to implement and administer the same under the authority of the Imperial Ethiopian Government.

For differing interpretations see, for example. R. C. Means, "The Eritrean Employment Act of 1958: Its Present Status," vol. 5 (1968), pp. 139-150 at pp. 141-142; J. Vanderlinden, *Introduction au droit de l'Ethiopie moderne* (1971), pp. 7-8.

18. Because industrial property rights created pursuant to the Italian legislation prior to the effective date of the Order (15 November 1962) are vested rights protected by Article 4 of the Order, the office of the Ministry of Commerce, Industry and Tourism in Eritrea (an "existing administration") will have to continue to maintain industrial property registers and the laws will have to remain in effect to govern the operation of the registers and to define the rights conferred by registration. Registration of *new* applications however, are not necessary for the continued operation of the register and therefore should be rejected according to the above interpretation.

19. The constitutional framework of the Revised Constitution requires the Emperor to act together with Parliament in the promulgation of proclamations and to allow the Emperor by an Order, which is not referred to Parliament, to repeal this legislation would be to undercut the elaborate procedure for promulgation set out in Articles 86-122 of the Revised Constitution. This interpretation is concerned with His Imperial Majesty's authority to terminate the federal status of Eritrea pursuant to His authority to determine the organisation of the Government administration under Article 27 of the Revised Constitution, but the emphasis would be on uniform *administration*, not uniform legislation.

Although a court decision on the validity of the Eritrean industrial property legislation may take political factors into consideration—and these factors at present apparently would militate towards enforcement of these laws²⁰—persons engaged in commercial and industrial activities usually prefer a certain legal rule to the uncertainty of predicting the results of a court action. By this tests of certainty the present situation in Eritrea is hardly satisfactory to the person seeking protection of his industrial creations. To satisfy this need for certainty most effectively the Imperial Ethiopian Government should introduce industrial property legislation for the whole of the Empire with a specific repeal of the prior legislation.

3. Alternative theories for the protection of inventions

While some classes of persons may protect all forms of industrial creations by being foreign persons with treaty rights, by registration in Eritrea or only in the case of trade marks and trade names do all persons have effective protection in Ethiopia by means of an action of unfair competition.²¹ Inventors or industrial designers have remained unprotected although several different theories by which they may persuade a court to grant protection are given below. The inadequacy of these theories again illustrates the need for a comprehensive industrial property law.

a) unfair competition

If trader A creates an invention and trader B, who is in competition with trader A, uses the same invention without payment or acknowledgement to trader A then trader A may be able to recover from B under Article 133 of the Commercial Code on the theory that trader B's sale of goods or rendering of services by using the inventions is an "act of competition contrary to honest commercial practice."²²

As a general remedy, however, the action of unfair competition is un satisfactory because it only protects persons in competition with each other. If the inventor is not a trader he will not be in competition; if the person appropriating an invention—even on a large-scale—does not use the invention for the production of goods for sale or for the rendering of services he will not be in competition; if

The decision of the Supreme Imperial Court in Asmara in *societa National Transport Gondrand Brothers et al. v. Ato Seyum Misgina* (Civil Appeal No. 108/58), *J. Eth. L.*, vol. 4 (1967), pp. 293-303, further supports this latter argument by a textual interpretation of Article 4 of Order No. 27. In that case the Court decided that by virtue of Article 4 limitations in Article 390 of the Civil Code on the rights of foreigners to acquire immovables were not applicable to foreigners in Eritrea. This interpretation may, however, be distinguished on the ground that Article 4 specifically deals with rights to real property: "All rights, including the right to own and dispose of real property shall remain in full force and effect."

20. This is suggested by both Means, cited above at foot note 17, p. 142 and Vanderlinden, cited above at foot note 17, p. 8.
21. For a discussion of the protection of trade marks by an action of unfair competition, see Goldberg, cited above at foot note 2.
22. Although industrial property rights are not created by granting this action, the same results may be reached. For example, if trader A, who would have had an action against trader B on the ground that A is the first user of the mark, transfers his business with the invention to trader C, then the transferee should have the same right of action (even though he personally began use of the invention after B) on the theory that B's acts are dishonest no matter who now uses the invention—which is a factor beyond B's control. Given this protection, the transferee (C) will be willing to pay trader A for the invention.

the inventor or holder of foreign patent rights does not export to Ethiopia goods produced by means of the invention or does not use the invention in Ethiopia he will not be in competition with local persons who may appropriate the invention. The result is that an inventor may be rewarded if he is also a trader in Ethiopia but not if he is not a trader—hardly a rational distinction if the goal is to encourage inventiveness.

In any case, an action based on unfair competition can only be a stop-gap measure. The relatively narrow goal of commercial honesty among traders, which is that of the unfair competition action, does not require the close regulation which the encouragement and reward of inventiveness requires because of the subtle balancing of interests between the need to encourage research by the reward of monopoly property rights with that of not discouraging industrial development by spreading information and use of new processes.

b) work of the mind

Title XI of the Civil Code of 1960 grants the author of a "work of the mind" an incorporeal right of ownership in the work regardless of "the nature, form of expression, merit or purpose of the work" (Art. 1647). Among the works deemed to be a work of the mind is the general catch-all category of "any work created by the intelligence of their author and presenting an original character" (Art. 1648 (e)). Because of the generality of the wording of these clauses one might argue that industrial inventions may also be protected by Title XI.

Several objections can be made to this conclusion. The Commercial Code distinguishes industrial property from literary and artistic property. For the latter, Article 149(2) of the Commercial Code refers to Title XI of the Civil Code (the title of which is "Literary and Artistic Ownership") for the former, Article 148(2) refers to the provisions of "special laws". The implication is clear that this special law will be issued in the future and that the general civil law rules found in the Civil Code—which was promulgated at the same time as the Commercial Code—do not apply to industrial creations.

Moreover, if Title XI of the Civil Code were read to include industrial inventions, protection would be granted without registration, publicity or administrative review and for a period of at least 50 years from the date of the "publication" (divulging to the public) of the invention.²³ This makes nonsense of the traditional balance struck by patent laws between encouraging research and not discouraging general use of inventions. At the very least, a law would be necessary to limit the period of monopoly.²⁴

c) imperial prerogative

His Imperial Majesty has on occasion allegedly granted persons monopolies of certain sectors of trade on the grounds that they would improve the welfare of

23. Civ. C., Arts. 1653, 1670.

24. The average duration for the protection of industrial inventions in the world is approximately 18 years. B. I. R. P. I., cited above at foot note 11, p. 48.

His subjects.²⁵ Although no constitutional provision has been cited, presumably the action would be taken pursuant to Article 36 of the Revised Constitution.²⁶ Before the promulgation of the Revised Constitution of 1955 Ethiopian Emperors had exercised a prerogative power to grant such monopolies without dispute.²⁷ To reward a subject for an invention which helps the industrial development of the country or the health of its people would not normally be regarded as an abuse of imperial power, but, even broadly read, Article 36 expressly deals with the Emperor's residual powers other than those granted by other provisions of the Constitution. Moreover, subsequent legislation promulgated by His Imperial Majesty presumably restricts this residual power until the legislation is amended by following the constitutional procedure.

Under the Constitution itself, Article 47 is probably not intended to be a provision under which monopolies could be granted. Article 47 states that "Every Ethiopian subject has the right to engage in any occupation . . . in accordance with the law." Only "laws" may restrict this fundamental constitutional right and restrictions must conform to the standard set out in Article 65. A grant of special favour to an individual without publicity should not be considered as "law" in this context. Moreover, by Articles 22 and 23 of the Commercial Code, which state that "any person or business organisation has the right to carry on any trade" subject to "lawful restrictions" and "legal prohibitions or restrictions", the Emperor, together with Parliament, has reaffirmed the constitutional right to engage in trade. Subsequent restrictions on this right should only be found in or pursuant to legislation also approved by the Emperor and Parliament.

While these arguments raise doubts as to the legal effectiveness of imperial grants of limited monopolies after the promulgations of the Revised Constitution, the very fact that the Emperor has found such grants to be for the general welfare of the Ethiopian people suggests that there is a need for a proclamation governing industrial property rights.

d) licensing legislation

Recent trade and industrial license proclamations,²⁸ requiring Government permission before a person may engage in trade or industry, may allow the Govern-

25. The most celebrated case is the recent dispute over the "invention" of an electric *injera* cooker, where one of the parties claimed a monopoly for five years granted to him by His Imperial Majesty. The case is now before the High Court, Addis Ababa.

26. Article 36, in its relevant parts, reads:

"The Emperor, as Sovereign, has the duty to take all measures that may be necessary to ensure, at all times . . . the safety and welfare of [Ethiopia's] inhabitants.

Subject to the other provisions of this Constitution, He has all the rights and powers necessary for the accomplishment of the ends set out in the present Article."

For varying interpretations of this Article see J. C. N. Paul & C. Clapham, *Ethiopian Constitutional Development*, vol. 2 (1971), pp. 441-445.

27. See, for example, the monopoly granted by Emperor Menelik in Article of His contract dated 30 January 1908 with the Compagnie du chemin de fer Franco-ethiopien de Djibouti a Addis Ababa.

28. Industrial Licence Proclamation, 1971, Proc. No. 292, *Neg. Gaz.*, year 30, no. 31; Foreign Trade Proclamation, 1971 Proc. No. 293, *Neg. Gaz.* year 30, no. 32; Domestic Trade Proclamation, 1971, Proc., No. 294, *Neg. Gaz.*, year 30, no. 32.

ment to protect inventors.²⁹ Pursuant to the discretion granted to him under this legislation, the Minister of Commerce, Industry and Tourism may subject the licenses he issues to the condition that the license holder not use certain inventions or new processes.³⁰ While this may be an interim method of dealing with the problem, neither the interest of the public nor that of the inventor is fully protected.

The most important drawback is that the Minister has complete discretion to grant, deny or restrict the inventor's request for protection. While this discretion may be used to require publicity of new processes and compulsory licensing, it may also be subject to the abuses of discriminatory application and unreasonable restrictions.

Even if the inventor reaches initial agreement with the Minister his protection will not be secure. The Minister is not under a continuing obligation to continue the restriction or condition for any specific period of time. This leaves the inventor with no guarantee that he will have protection for longer than one year—the period of the license. The result may be difficulty in finding finance for the development of the invention. A further problem arises because the inventor may not have standing to bring an action to enforce the limitations placed on a license-holder because the only parties to the license are the licensee and the Ministry. Courts may be wary to recognize a right of action in other licensees because of the potential harassment by competing traders. Although the inventor may persuade the Ministry to take action to revoke the license or bring a criminal charge against the license holder, this decision in many cases may be subject to delay and compromise on political grounds.

As in the case of the other alternative theories for the protection of industrial inventions, the licensing legislation does not fully incorporate the basic characteristics of patent laws in other parts of the world: publicity (usually registration in a public register and publication in a specialized Government journal) following some form of administrative review to ensure that the discovery really is an "invention" and monopoly rights for a limited period of time (e.g., an average of eighteen years for industrial inventions). These characteristics are designed to balance the interests of the inventor with other interests of the public and to protect industrial property without carefully striking a balance may give undue weight to one or the other of the competing interests. Only comprehensive legislation can properly clarify and regulate industrial property rights.

29. For example, under Articles 3(3) and 6 of the Domestic Trade Proclamation, cited above at foot note 28, the Minister may limit the number of licenses "for any particular manner of trade". A practical limitation on the exercise of this power is that the limitations may only be imposed by regulations.

30. In a circular distributed by the Ministry the registration procedure in Addis Ababa is described as follows:

Applicants desiring to obtain patents or trade mark certificates are required to submit priority documents and cautionary notices right away, Upon receipt of an application searches are conducted under their corresponding classes, names of owners registered or pending in the name index cards and marks that are similar, resemble or capable of infringing devices are picked out. If the office finds the application and accompanying documents complete and accurate the applicant will be granted a certificate after a month from the publication date, except in rare cases when the patent office receives doubtful applications.

Trade Mark Circular, vol. 1, no. 2 (Jan., 1971), pp. 1-2.

4. The Administration

Pursuant to its mandate set out in Article 24(d) of the Ministers' (Definition of Powers) Order, as amended by Order No. 46 of 1966, the Ministry of Commerce and Industry has established "registers of patents and trade marks" in Addis Ababa and Asmara. Ministry officials have gained practical experience in the operation of these registers and have publicized their rules of operation. If industrial property legislation were promulgated there would be little difficulty in adapting the existing administration with a minimum of training and expense.

CONCLUSION

Although trade marks are now protected by an action of unfair competition and some classes of persons may be able to protect other industrial property rights in Ethiopia on several different theories, there is no doubt that specific legislation—as originally contemplated by the Commercial Code—would solve many doubts and regulate in detail many of the specific problems related to the different interests involved in industrial property. Specific legislation is not essential: Ethiopian industry in most cases is not in a position at present to invest large sums of money to carry out research or to pirate foreign technology. But legislation protecting industrial property rights may encourage foreign investors to come to Ethiopia and specific legislation may also balance this incentive with requirements, such as compulsory licensing, which would actively encourage the use of the invention in Ethiopia. When reviewing its investment and trade policies, therefore, the Imperial Ethiopian Government should seriously consider the preparation and promulgation of a comprehensive industrial property law.