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A Comparative Appraisal of the Role of Intellectual Property Law in Entrepreneurship Development in Nigeria and the United Kingdom

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ABSTRACT: This study undertakes a comparative appraisal of the role of intellectual property (IP) law in entrepreneurship development in Nigeria and the United Kingdom. The research examines the IP legal frameworks in both Nigeria and the United Kingdom, focusing on their effectiveness in supporting entrepreneurial activities. In the United Kingdom, intellectual property law is highly developed, effectively enforced, and embedded in a broader innovation ecosystem. Through well-structured institutions such as the UK Intellectual Property Office (UKIPO), entrepreneurs have access to comprehensive legal protection, advisory services, funding mechanisms, and dispute resolution pathways. In contrast, Nigeria's IP legal framework, while grounded in existing statutes and international treaties, suffers from weak enforcement, outdated laws, poor awareness, and limited institutional support. Many Nigerian entrepreneurs, especially small and medium enterprises (SMEs), lack the knowledge and capacity to secure their IP rights. These structural and operational challenges undermine the incentives for innovation and discourage foreign and local investment in entrepreneurial ventures. Using a doctrinal and comparative legal methodology, the study evaluates statutory provisions, institutional structures, policy frameworks, and case law from both countries. In conclusion, intellectual property law, when effectively implemented, serves as a powerful catalyst for entrepreneurship development. While the United Kingdom demonstrates a mature and innovation-friendly IP regime, Nigeria must address its systemic challenges to harness the full potential of IP in driving entrepreneurial growth. Recommendations drawn from the comparative analysis among others suggest the urgent need for Nigeria to modernize its IP laws to reflect contemporary innovation realities, particularly in the digital and technological sectors.

Keywords: intellectual property (IP) law, Entrepreneurship development, Nigeria, and United Kingdom

INTRODUCTION

The importance of intellectual property (IP) law in promoting entrepreneurship and economic growth has become increasingly recognized globally. IP law provides legal

protection for innovations, creations, and brands, which can serve as a catalyst for entrepreneurial growth and development. However, the effectiveness of IP law in fostering entrepreneurship varies significantly across different jurisdictions.

[1]Furthermore Hayami & Godo argued that effective technology borrowing is a very important step for any developing country to adopt if it is to catch-up with the more advanced countries.[2] China has recorded positive economic growth for over two decades and Zhang is of the view that the establishment of the patent system was largely responsible for this growth.[3] The German patent system is very old dating back to 1877 when the first unified German Patent Act was adopted. The German, patent system was established to foster technology diffusion, innovation and growth in selected industries with an overall aim of boosting economic growth.[4] In Germany patent duration can be up to 20 years, the German patent system follows the first-to-file system. This is unlike the US system, which follows the first to invent approach (however in March 16, 2013 the US switched to the first-to-file system upon the establishment of the America Invent Act).[5] The utility model was introduced in Germany in 1891. It was originally conceived as "minor patent for minor inventions". However, after the Reform Act in 1990, utility model has been likened to traditional patents but for a few substantial exceptions.[6] The utility model in Germany like the patent protects technical inventions other than processes. However, unlike the patent the utility model does not go through formal examination.

It is evidently clear, of recent, that the accumulation, use, and exploration of knowledge are one of the primary engines of economic and social development in this era.[7] According to the author, the future of any nation depends to a very large extent on the efficiency of industry, which in turn depends on the protection of intellectual property. Knowledge and information which are the core mechanisms of intellectual property (IP) are replacing the more traditional, material elements of production as a very important indices of economic growth.[8] This new engine of economic growth is fueled by the resourcefulness, inspiration, and inventive ability of a nation's human capital recourse. This new economic reality has become increasingly apparent to many governments around the world in the face of recent

[1] H. Zhang, (2010). What is behind the recent surge in patenting in China? *International Journal of Business and Management* Vol. 5, No. 10.

[2]Y Hayami,. and Y. Godo, (2005). *Development Economics: From the Poverty to the Wealth of Nations*, 3rd ed., Oxford University Press

[3] H Zhang,. (2010). What is behind the recent surge in patenting in China? *International Journal of Business and Management* Vol. 5, No. 10.

[4] B. Z. Khan, (2010). An Economic History of Patent Institutions, *Economic History Association*. Retrieved April 20, 2013 from eh.net/encyclopedia/article/khan.patents

[5] See section 16 of the German Patent Law (as amended by the Law of July 31, 2009)

[6]R. J. Barro, (1991). Economic Growth in a Cross Section of Countries. *Quarterly Journal of Economics*, 106(2):407–43.

[7]K.E. Maskus, (2000a). Intellectual Property Rights in the Global Economy. *Institute for International Economics*, Washington, DC.

[8]M. Blomstrom, et al (1992). What Explains Developing Country Growth, *NBER Working Paper* No 4132.

development. Economic growth is closely related to how well the economy encourages, stimulates and fosters creativity and innovation. A critical factor in maximizing the value of this creativity and innovation is a clear legal and regulatory system that recognizes the importance of the underlying intellectual property (IP) and establishes and protects the property rights of the creators, inventors and innovators (International Chamber of Commerce, (ICC).[9] Developed and developing nations alike are modernizing their IP systems, providing more support to universities and research institutes and creating more incentives for the private sector participation to encourage the development of IP assets.[10]

Objectives of the Study

The aim of this study is to conduct a comparative appraisal of the role of intellectual property law in entrepreneurship development in Nigeria and the United Kingdom, in order to identify best practices and areas for improvement in both jurisdictions. Specifically, the objectives are:

1. To compare and contrast the intellectual property laws of Nigeria and the UK,
2. To identify the challenges faced by entrepreneurs in protecting and enforcing their intellectual property rights in Nigeria and the UK.
3. To assess the economic and cultural factors that affect the implementation of intellectual property law in both countries.

CONCEPTUAL, THEORETICAL FRAMEWORK AND LITERATURE REVIEW

Conceptual Analysis

Intellectual Property

Intellectual Property (IP) deals with any basic construction of human intelligence like artistic, literary, technical or scientific constructions.[11] Property Rights (IPR) refers to the legal rights granted to the inventor or manufacturer to guard their invention or manufacture product.[12] These legal rights confer an prerogative on the inventor/manufacturer or its operator who makes full use of it's his invention/product for a limited period of your time.

Intellectual Property are often defined as inventions of the mind, innovations, literary and artistic work, symbols, names and pictures utilized in commerce. The target of property protection is to encourage the creativity of the human mind for the advantage of all and to make sure that the advantages arising from exploiting a creation benefit the creator. This may encourage creation and provides investors an inexpensive return on their investment in

[9] ICC, (2015). Promoting and Protecting Intellectual Property in Nigeria. International Chamber of Commerce, The World Business Organization. www.icc.wbo.org Accessed on 04-21-2020

[10] P. Pawlowsky, (2011). Knowledge 2010 – Intellectual capital as Driver of wealth. Enabling Innovations: Innovative Capability – German and International Views. 307-330

[11] WIPO, Intellectual Property Handbook (2ndedn. WIPO Publication Geneva, 2004) 3

[12] Ibid.

research and development. IP empowers individuals, enterprises, or other entities to exclude others from the utilization of their creations. Property empowers individuals, enterprises, or other entities to exclude others from the utilization of their creations without their consent.

Intellectual Property are often defined as inventions of the mind, innovations, literary and artistic work, symbols, names and pictures utilized in commerce. The target of property protection is to encourage the creativity of the human mind for the advantage of all and to make sure that the advantages arising from exploiting a creation benefit the creator. This may encourage creation and provides investors an inexpensive return on their investment in research and development. IP empowers individuals, enterprises, or other entities to exclude others from the utilization of their creations. Property empowers individuals, enterprises, or other entities to exclude others from the utilization of their creations without their consent.

Entrepreneurship Development

Entrepreneurship started when people produced more products than they needed; as such, they had to exchange these surpluses. For instance, if a blacksmith produced more hoes than he needed, he exchanges the surplus he had with what he had not but needed; maybe he needed some yams or goat, he would look for someone who needs his products to exchange with. By this way, producers came to realize that they can concentrate in their areas of production to produce more and then exchange with what they needed.

Modern entrepreneurship in Nigeria started with the coming of the colonial masters who brought in their wears and made Nigerians their middle men. In this way, modern entrepreneurship was conceived. Most of the modern entrepreneurs were engaged in retail trade or sole proprietorship.[13]

Such economic policy programs that are geared towards self-reliance for individuals are programs as Open Apprenticeship Scheme, Graduate Employment Programs et cetera and other policies that encourage or make it easy for entrepreneurs to acquire the needed funds for example, Peoples Bank of Nigeria, Funds for Small-Scale Industries (FUSSI), co-operative societies etc were established to assist entrepreneurs in Nigeria.

According to Say in 1803, as cited by Hisrich and Peters,[14] an entrepreneur is someone who consciously moves economic resources from area of low yield to area of high yield. He redeploys people, material, money and co-ordinates the processes necessary for efficient large scale industrial/trade development. Joseph Schumpeter[15] added that the entrepreneur is the motive behind capitalist development. Entrepreneurship spirit pervades all economies (though more with free market or capitalist economies) and is considered the bedrock of modern economic development through innovation,

[13] Nicks, The History of Entrepreneurship in Nigeria. (2008)
[14]R. D Hisrich & M. P. Peter Entrepreneurship. Singapore: McGraw-Hill. (2002)
[15] .Schumpeter J., *Theory of economic Development*. Cambridge: Howard University Press, (1975), p. 7-8

technological breakthrough and by developing untried technologies.

Literature abounds as to what entrepreneurship is all about. Davis in 1983, as cited in Igbo, sees entrepreneurship as the creation and running of one's own business. Timmons in 1987, also cited in Igbo, sees it as the creation, building and distribution of something of value from practically nothing to individuals, groups, organizations and society. He summed up by stating that it involves planning and organizing small business ventures through the mobilization of people and resources to meet people's needs.[16]

According to Schumpeter, entrepreneurship is a process of change where innovation is the most vital function of the entrepreneur. It is the basic requirement for economic development in a free enterprise or mixed economy where innovation is the basis of development. Innovation in a system can increase the marginal productivity of the factors of production.[17]

The United Nations Industrial Development Organisation (UNIDO) defined entrepreneurship as the process of using initiative to transform business concept to new venture, diversify existing venture or enterprise to high growing venture potentials.[18] The foregoing definitions and discussions point to the fact that entrepreneurship involves innovation, development, recognition, seizing opportunities and converting opportunities to marketable ideas, value while bearing the risk of competition. Entrepreneurial development is a catalyst for economic, social and industrial development. Peter and Clark in 1997, as cited in Egai,[19] affirms that entrepreneurial development is a disposition to accept new ideas, new methods and making people more interested in present and future than the past. The entrepreneurial class provides leadership in resource change, innovation, technical progress and capital formation to produce new knowledge, new production techniques/possibilities, profits and economic growth. Historically, entrepreneurship development in Nigeria has remained excluded from industrial policy until changes began to occur in 1980s due to ambivalency of competition and increasing service sector. According to Audretsch and Thurik,[20] the role of the entrepreneurial sector changed when industrial comparative advantages shifted towards knowledge-based economic activities. Large firms lost their competitive edge while smaller and more flexible entrepreneurial firms gained new importance in the increasing knowledge-based economy. New dynamic ventures are acknowledged to be drivers of innovation. Associated with entrepreneurship is the concept of intrapreneurship. This involves entrepreneurship ingenuity and spirit within

[16] C. Igbo "Modern institutional techniques and their application in Technical Vocational Education Programs of Polytechnic and Monotechnics". ETF capacity Building Workshop, Auchi, Nov., (2005).
[17] Schumpeter J., Op.cit. p. .8.
[18] UNIDO Report 1999. Retrieved from http://www.unido.org.

[19] N. A., Egai "Entrepreneurial development: for increased competitiveness and Business growth'. Institute of Chartered Economists of Nigeria's Seminar". Abuja: National Centre for Women Development. 6th June (2008)
[20] Audretsch&Thurik,. "Role of government policy on entrepreneurial activities"

an organization rather than outside. It provides opportunities to hard-to-find key employees of an organization to unfold their potentials, performance and hard work to earn a reward or share in the profit or revenue generated by his ingenuity for the enterprise. The concept of intrapreneurship is beginning to spread rapidly in modern times.

Theoretical Framework

The Utilitarian Theory

The theory of intellectual property developed in light of the utilization of monopoly power to encourage innovation. Adam Smith (1776), while generally reproachful of monopoly power as detrimental to the operation of "invisible hand", regardless justified the requirement for limited monopolies to commerce and innovation requiring substantial up-front investments and risk. Jeremy Bentham (1839) went beyond this justification for intellectual property rights, giving a clear explication of the differential fixed expenses borne by imitators and innovators.[21]The utilitarian theory is based on the assumption that such creators would not invest the time or capital necessary to produce such products, if others could copy or reverse engineer them freely.

This approach focuses on the maximization of net social welfare, i.e. implementing policies that harness intellectual property rights in a way that will be of overall benefit to the population. Utilitarian theorists believe that there should be incentives for creative intellectual efforts that will benefit the society at large. These theorists try to strike a balance between the exclusive nature of the intellectual property right and the tendency it has to limit enjoyment of the IP creation by the population. William Landes and Richard Posner in their book- Essay on Copyright Law stated that in a bid to avoid the problem of copyright holders not being able to recover the cost of production of their work due to the activities of copycats selling cheaper having spent less to reproduce, the law makers grant these authors the exclusive right to reproduction of their workfor a limited period of time.[22] Fisher notes that references to the importance of rewarding authors and inventors for their labour are evident in the views of the courts in America as seen in, Justice Reed's profound statement in *Mazer v Stein*[23] where he stated that: 'sacrificial days devoted to creative activities deserve rewards commensurate with the services rendered'. On the other hand, Landes and Posner[24] posit that the beneficial outcomes of trademark are reduction of search cost for the consumers, and the encouragement of producers to consistently maintain high standard in production.[25]

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[21] Id. at 2.

[22] W Landes and R. Posner, 'An Economic Analysis of Copyright Law' [1989] (18) *Journal of Legal Studies* 325.

[23] (1954) 347 US 201 219.

[24] L.William and R. Posner (n 17).

[25] F. William Fisher, 'Theories of Intellectual Property' citing Williams Landes and Richard Posner (n 19) available at http://www.law.harvard.edu/faculty/tfisher/iptheory.html Accessed 16 June 2024.

Entrepreneurship Development in Nigeria and UK

Entrepreneurship is a vital component of economic growth and development, creating jobs, driving innovation, and stimulating economic activity. Nigeria and the United Kingdom (UK) have recognized the importance of entrepreneurship in their respective economies. This essay compares entrepreneurship development in Nigeria and the UK.

Entrepreneurship Development in Nigeria

Nigeria's entrepreneurship landscape is characterized by: Small and Medium Enterprises (SMEs) dominating the economy, Informal sector prevalence, Limited access to finance and infrastructure, Government initiatives to promote entrepreneurship. Entrepreneurship, as an emerging field of study and as an area of human endeavour, has received increasing interest of researchers, academicians and policy makers the world over. It has equally provoked controversies over its concept and definition. Entrepreneurship is seen as an effective means not only of combating unemployment, poverty and under-development in the developing nations, but also as a strategy for rapid economic development in both developed and developing nations. [26]Naude contends that global development is entering a phase, where entrepreneurship will increasingly play a more important role. He adduces three reasons for this development. The first is that the managed economy of the 1970s – 2000 in the West, characterized by reliance on big business and mass production, has given way to a so-called entrepreneurial economy, where knowledge-driven goods and services are more flexibly provided by smaller creative class. Secondly, impressive growth in the emerging economies, notably Brazil, Russia, India and China, has been driven by innovative entrepreneurial revolution. Thirdly, in the least developed countries, where dependency is high, donor agencies have been shifting emphasis in development cooperation towards private sector development. Naude draws the conclusion that entrepreneurship will contribute to growth and employment creation in advanced, emerging and least developed economies alike.[27]

Entrepreneurship Development in the UK

The United Kingdom has a thriving entrepreneurship ecosystem, with a strong culture of innovation and startup activity. Entrepreneurship development is crucial for economic growth, job creation, and competitiveness. This essay examines the UK's entrepreneurship landscape, government initiatives, challenges, and recommendations for future growth. The UK's Entrepreneurship Landscape. The UK's entrepreneurship ecosystem is characterized by a strong startup culture, with London ranked as one of the world's top startup hubs, robust funding options, including venture capital, angel investors, and crowdfunding, government support through initiatives and programs, world-class universities and research institutions and government Initiatives.The

[26]J. Schumpeter, (1942). *Capitalism Socialism and Democracy* (3rd ed.). New York, NY: Harper.

[27]R Nanda,. (2011). Entrepreneurship and the discipline of external finance. Harvard Business School Working Paper 08-047

UK government has introduced various initiatives to promote entrepreneurship like Start Up Loans: Providing funding and mentorship to startups, Enterprise Finance Guarantee: Guaranteeing loans for small businesses, Innovate UK: Funding innovation projects and startups. Entrepreneurship programs: Supporting entrepreneurs through training and networking.

IP Innovation and Entrepreneurial Development in Nigeria

Intellectual property (IP) which refers to original creations such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce is protected in law to create exclusive right to the inventor or creator to enable them to earn recognition or financial benefit from what they invent or create.[28]The author further stressed that maintaining the right balance between the interests of innovators and consumers, and other players in the economic environment will make significant contribution to the economy of the nation bearing in mind that the intellectual property system aims to foster an environment in which creativity and innovation can flourish.

Over the years, technology and knowledge have played an important role in economic growth of major world economies like the UK, USA and emerging economies.[29] And for Gujrati, the main advantage of strong IPR protection is that it gives innovators a suitable share of the benefits of their imaginative activities and as such research and development is encouraged which leads to innovation and higher long-run benefits in economic activities.[30]Strengthening IPR is more and more being recognized as a significant contributor to a country's economic development, technology transfer, and improved innovation rates. In the face of current global oil market behaviour, Nigeria cannot afford her continuous reliance on oil revenue. As observed by Abasilim, Ayoola, and Odeyemi,[31] in the present situation of the country, there is a great need for diversification in the face of the tumbling oil prices, falling value of Naira compared to other world currencies, and the need for greater commitment and interest in other sectors of the economy to create an economy that will not solely depend on oil for its growth and development. As such, a very robust and well-developed IPR system can boost the Nigerian economy in many ways.

On the roles of intellectual property, OECD[32] noted that protecting an invention is one of the key roles that intellectual property rights plays in inventive business ventures. For Global Innovation Policy Center (GIPC),[33] the benefits of improving intellectual property protection will result in economies being 26% more likely to be competitive; twice as likely to produce and export complex, knowledge-intensive products; 55% more likely to adapt to sophisticated state-of-the art technology; the share of work force employed in knowledge-intensive sectors is likely to be

[28] O. T., Osunde, (2016). Entrepreneurship for sustainable economic growth in Nigeria. *Journal of Sustainable Development Studies*. 2(2), 197-215.
[29]D., Jackson, I., Etti, and H. Edu, (2009). Evaluating constructivistic learning.

[30]M., Gujrati, (2017). The effect of intrapreneurial experience on corporate venturing: Evidence from developed economies. *International Entrepreneurship and Management Journal*, 9(3), 397–416.
[31]A., Ayoola, and Odeyemi (2017)
[32] OECD (2011)
[33] Global Innovation Policy Center (GIPC) (2019)

67% higher; 30% more likely to attract venture capital and private equity funds; 53% more likely to employ high skilled and high paid workers; higher chances of getting over 500 more high value inventions per million population; 39% more likely to attract foreign investments; over 4 times more online mobile contents generated; and 33% more likely to receive private sector investment in research and development activities.

Furthermore, Olubanwo and Oguntuaese noted that as Nigeria gradually becomes an important economic player both in West African and indeed in the African continent as a whole, protection of the rights existing in IPs created in the country is not only strategic to the nation's current drive to develop its non-oil sector but also central to its overall economic growth and development goals.[34] As such, there must be focused and meaningful collaborations between the government and organized private sectors to identify, dialogue, and develop viable solution-frameworks to the problems of IPR infringements in Nigeria. This becomes very important and urgent if we must toe the path of diversification as is being promoted in Nigeria.

The benefits to accrue from robust IPR culture, according to Jackson, Etti and Edu[35] include but are not limited to promotion of trade and innovation especially in areas of technology, acquisition of more wealth, technological advancement of industries, and improvement in the living conditions of people as a result of new inventions. As local inventions are encouraged by stronger IPR system, Nigeria economy will become more competitive among the Committee of Nations.[35]While Nigeria is making efforts to develop adequate technology for competing favourably in the global market, it is encouraging to note that she is making some progress in increasing awareness and development of the IP system by encouraging the development of innovative and inventive skills, and is beginning to commercialize indigenous research and development. The Nigerian government is encouraging local patents and innovative skills by patronizing locally invented and home-made products against foreign ones. In this way, the Nigerian economy will be able to penetrate the global market by focusing on its areas of economic advantage, protecting designations of origin and putting institutional framework in place to distinguish local products in the global market. In this way Intellectual Property and its economic benefits will be secured. Unless this is done individuals and government will continue to suffer loss and be denied revenue from legitimate inventions and products.IP law supports entrepreneurship development by encouraging startup formation and growth, providing competitive advantage through exclusive rights, attracting investment and funding, facilitating technology transfer and licensing.

IP Innovation and Entrepreneurial Development in UK

The United Kingdom has a thriving entrepreneurial ecosystem, with intellectual

[34]M. Olubanwo, and H. Oguntuaese, (2019). What is the value of entrepreneurship? IZA Discussion Paper No. 3014. Retrieved from ftp.iza.org/dp3014pdf

[35]D. Jackson, I Etti, and H. Edu, H. (2009). Evaluating constructivistic learning.

property (IP) playing a vital role in supporting startup growth and innovation. This note examines the relationship between IP and entrepreneurial development in the UK. UK investment in intangible or knowledge assets has been greater than that for tangible assets since the early 2000s.[36] This emphasizes the importance of knowledge and intellectual property (IP) as a source of competitive advantage and also the potential importance of IP protection in helping firms to maximize the returns from innovation.[37] Here, based on newly constructed IP protection histories for UK firms matched with data from the UK innovation survey, we explore the causal links between forms of formal IP protection – patents, trade marks and registered designs – and innovation outcomes. Specifically, we explore two rather different roles which IP protection might play in influencing innovation and the benefits which firms derive from innovating. First, we consider the role of formal IP protection in shaping the probability that UK firms engage in different types of innovation. Firms' ability to protect their IP may, for example, increase the anticipated returns from innovation and firms' willingness to make intangible investments. Both Park and Lippoldt and Lo[38], for example, find evidence that stronger patent protection leads to higher R&D investment and more innovation. In a UK context, Arora and Athreye find that an increase in the perceived effectiveness of patents increases R&D investments.[39] Second, building on previous studies of the appropriability problem, we consider whether IP protection increases firms' ability to capture the returns from innovation.[40] This recognises that in many situations knowledge is a semi-public good, permitting imitation behaviour by firms and reducing an innovating firm's ability to fully capture the profits generated by its innovation.[41] To overcome the appropriability problem, firms may use IP protection to limit imitation and enhance their ability to appropriate economic returns.[42]

IP protection includes legally enforceable protection methods which are implemented through regulation.[43] Typically, these are registered rights such as patents, design rights and trade marks and unregistered rights such as copyright.

The Patents are often viewed as the first-choice innovation protection instrument.[44] They 'protect new inventions and cover how products work, what they do, how they do it,

[36]J. Goodridge, A Gibb, & P, Hannon,. (2016). Towards the entrepreneurial university. *International Journal of Entrepreneurship Education*, 4(1), 73–110

[37]M Ceccagnoli,., & F.T Rothaermel, (2008). Appropriating the returns from innovation, Chapter 1 in G. D. Libecap and M.C. Thursby (eds.), *Advances in the Study of Entrepreneurship, Innovation, and Economic Growth*, Elsevier, 11-34.

[38]W.G. Park, and D.C Lippoldt,. (2008).Technology transfer and the economic implications of the strengthening of intellectual property rights in developing countries, OECD *Trade Policy Working Papers*, No. 62, OECD Publishing.

[39]A. Arora, and S Athreye,. (2012). Patent incentives: Returns to patenting and the inducement for research & development, Intellectual Property Office Research Paper, No. 2012/20

[40]K. Arrow, (1962). Economic welfare and the allocation of resources for invention, in The Rate and Direction of Inventive Activity, R. Nelson (ed.), *Princeton University Press*, Princeton, US.

[41]D. J. Teece, (2000). Strategies for managing knowledge assets: the role of firm structure and industrial context, *Long Range Planning*, 33, 35-54.

[42]K. Laursen, and A. J Salter,. (2006). Open for Innovation: The role of openness in explaining innovation performance among UK manufacturing firms, *Strategic Management*, J.27, 131-150

[43]B. H. Hall, and V. Sena, (2017). Appropriability mechanisms, innovation and productivity: Evidence from the UK, *Economics of Innovation and New Technology*, 26, 1-2, 42- 62.

[44]S., Athreye, C. Fassio, and S. Roper, (2020). Small firms and patenting revisited, Enterprise Research Centre, Research Paper, No. 85

what they are made of and how they are made'. Patents solve the problem of appropriability by vesting an ownership right with the inventor and preventing others from profiting from the new knowledge. A patent allows an inventor to take legal action against anyone who makes, uses, sells or imports an invention without the inventor's permission. Rather than keeping an invention secret, a patent shares how to create or replicate an invention with the public, and once the patent has expired, others can make and sell the invention. Patents protect innovations such as machines, industrial processes, pharmaceuticals and their production methods, computer hardware, electrical appliances and biological products and processes; they cannot protect literary, dramatic, musical or artistic works, or anything that is an idea, a way of thinking, or a scientific or mathematical discovery. Applying for a patent can be an expensive and lengthy process. It may take several years, and once granted, renewal fees are payable for twenty years – the full period of protection.[45] During this period, it is the inventor's responsibility to enforce the patent and ensure that an invention is protected. Any legal action which may take place as a result of a dispute or an infringement must be paid for by the inventor.

The economic value of a patent depends on a firm's ability to appropriate the benefits of the temporary monopoly that the patent creates.[46]The study of Athreye estimate the value of patents for innovating firms using one of three approaches. The market value approach estimates the value of patents using stock market values i.e. investors' evaluation of firms' tangible and intangible (including patents) capital stock.[47] Some studies report the monetary value of an additional patent, and find that it varies across technological sectors.[48] The patent renewal approach examines patent renewal records and the costs of patenting and renewing to assess the distribution of patent earnings from the patent holder's perspective.[49]The understanding here is that a firm is likely to renew a valuable patent. As with the market value approach, the returns to patents differ across sectors, with the largest returns occurring in the pharmaceuticals sector. The inventor survey approach uses the inventor's subjective estimate of a patent's value on the date of invention to find its market value. The value of a patent to the innovating firm varies across the three approaches; the inventor survey approach yields the largest value, and the patent renewals method yields the smallest value.[50]

[45]IPO (2018). Trends at Intellectual Property Office UK 1995-2017, IPO Report, 2018/02. Published by The Intellectual Property Office.

[46]S., Athreye, C. Fassio, and S. Roper, (2020). Small firms and patenting revisited, Enterprise Research Centre, Research Paper, No. 85.

[47]S. Athreye, (2019). Value of patents for the innovating firm, Enterprise Research Centre, State of the Art Review, No. 18.

[48]Z. Griliches (1981). Market value, R&D, and patents, Economics Letters, 7, 2, 183-187

[49]J. Barney (2002). Study of patent mortality rates: Using statistical survival analysis to rate and value patent assets. *AIPLA Quarterly Journal*, 30, 3, 317

[50]P Giuri,. et al. (2007). Inventors and invention processes in Europe: Results from the PatVal-EU survey, *Research Policy*, 36, 8, 1107-1127.

ECONOMIC AND CULTURAL FACTORS AFFECTING THE IMPLEMENTATION OF INTELLECTUAL PROPERTY LAW

Challenges Facing Entrepreneurship Development in Nigeria and the UK

Challenges in Nigeria

Nigeria, Africa's largest economy, has a vast potential for entrepreneurship development. However, the country is plagued by numerous challenges that stifle entrepreneurial growth. One of the major challenges facing entrepreneurs in Nigeria is inadequate infrastructure. Adegbite posit that the country's infrastructure, including roads, electricity, and water supply, is in a deplorable state, making it difficult for businesses to operate efficiently.[51] For instance, the lack of reliable electricity supply increases the cost of doing business, as entrepreneurs have to rely on generators or other alternative sources of power. According to Okafor, another significant challenge facing entrepreneurs in Nigeria is access to finance. Many Nigerian entrepreneurs struggle to access capital from financial institutions due to stringent lending conditions and high interest rates.[52] This limits their ability to invest in their businesses, expand their operations, and create jobs. According to a report by the World Bank, only 5.7% of Nigerian firms have access to formal finance, highlighting the significant gap in access to finance for entrepreneurs.[53]

Corruption is also a major challenge facing entrepreneurs in Nigeria. The pervasive culture of corruption and bureaucratic inefficiencies obstruct business operations. Entrepreneurs often face extortion, bribery demands, and delays in obtaining necessary permits and licenses. These practices not only increase costs but also create an uneven playing field, favoring those willing to engage in corrupt activities. The country is ranked 149 out of 180 countries in Transparency International's Corruption Perceptions Index.[54] Corruption increases the cost of doing business, creates uncertainty, and discourages investment. Entrepreneurs in Nigeria often have to pay bribes to obtain licenses, permits, and other government services, which can be a significant burden on their businesses.

Another challenges is inconsistent government policies.Nigeria's entrepreneurial landscape is marred by frequent policy shifts and lack of continuity. Entrepreneurs often grapple with sudden changes in regulations, tax laws, and import restrictions, creating an unpredictable business environment. This policy instability discourages long-term investment and planning. For instance, the abrupt ban on certain goods and services can render established business models obsolete overnight.

Challenges in United Kingdom

In contrast, the UK has a well-developed infrastructure, a stable economy, and a

[51] S. A. Adegbite, (2009). Infrastructure and economic development in Nigeria. *Journal of Economic and Financial Studies*, 2(1), 1-12.

[52] E. E. Okafor, (2013). Access to finance and small business growth in Nigeria. *Journal of Small Business and Enterprise Development*, 20(3), 456-473.

[53] World Bank. (2018). World Development Indicators.

[54] Transparency International. (2022). Corruption Perceptions Index.

favorable business environment. However, entrepreneurs in the UK also face challenges that affect the growth and development of their ventures. One of the major challenges facing entrepreneurs in the UK is access to talent and skills. Many UK entrepreneurs struggle to find employees with the right skills and experience, particularly in areas such as technology and digital innovation.[55]
Another challenge facing entrepreneurs in the UK is regulatory compliance. The UK has a complex regulatory environment, with multiple laws and regulations governing different aspects of business operations. Entrepreneurs in the UK must comply with regulations related to employment, taxation, health and safety, and environmental protection, among others. According to a report by the Federation of Small Businesses, regulatory compliance is one of the top concerns for small businesses in the UK.[56]

Access to Finance:Similar to Nigeria, UK entrepreneurs face challenges in securing funding. Recent data indicates that approval rates for SME loan applications have declined, with many small businesses turning to riskier private lenders due to insufficient support from traditional banks.

Regulatory Burdens:Entrepreneurs in the UK often encounter complex regulations and administrative hurdles. The process of obtaining licenses, adhering to tax obligations, and complying with environmental standards can be time-consuming and costly, particularly for small enterprises.

High Operational Costs:Rising costs associated with energy, transportation, and labor pose significant challenges. For instance, recent inflationary pressures have increased the cost of doing business, affecting profitability and sustainability for many startups.

Talent Acquisition and Retention:The UK faces a shortage of skilled labor in certain sectors, complicating efforts for entrepreneurs to recruit and retain qualified employees. This skills gap can hinder innovation and growth, particularly in technology-driven industries.

Market Saturation:In mature markets like the UK, entrepreneurs often struggle to differentiate their products or services amidst intense competition. Breaking into established markets requires significant innovation and marketing efforts, which can be resource-intensive.

Brexit Uncertainties:The aftermath of Brexit has introduced complexities in trade relations, supply chains, and regulatory alignment. Entrepreneurs dealing with international markets face increased tariffs, customs procedures, and logistical challenges, impacting their competitiveness.

Economic and Cultural Factors Affecting the Implementation of Intellectual Property Law in Nigeria

Economic Factors Affecting IP Implementation in Nigeria

1. Weak Enforcement Infrastructure

According to Oyebanji, one of the primary economic barriers to effective IP law implementation in Nigeria is the lack of adequate enforcement infrastructure. Law

[55] BIS (2015). *Small Business Survey 2014*: UK and England.
[56] FSB (2020). *Small Business Index*: A report on the state of small business in the UK.

enforcement agencies and judicial systems tasked with handling IP violations are often underfunded, understaffed, and ill-equipped to handle the technical complexities associated with IP litigation. This results in long delays in court processes, inconsistent judgments, and weak deterrents for infringers.[57] Moreover, specialized IP courts or trained judges are lacking in most parts of Nigeria. This absence contributes to a low prosecution rate for IP offenses, making enforcement efforts largely ineffective. The Nigerian Copyright Commission (NCC), for instance, struggles with limited operational resources, affecting its ability to conduct raids, seize pirated goods, and prosecute offenders.

2. Prevalence of Informal Economy

Nigeria's economy is heavily reliant on the informal sector, which accounts for over 50% of employment and GDP.[58] This sector often operates outside the purview of formal regulation and taxation, and IP compliance is typically low or non-existent. Small vendors, open markets, and roadside retailers frequently sell pirated DVDs, fake designer goods, counterfeit drugs, and unlicensed software without facing legal repercussions. The informal economy not only facilitates IP violations but also undermines the development of formal industries such as film, music, fashion, and pharmaceuticals. Without adequate economic incentives or protections, creators in these sectors are discouraged from investing in new content or products.

3. Cost of Registering and Enforcing IP Rights

The financial cost of registering IP rights in Nigeria is another significant constraint. Many artists, entrepreneurs, and inventors, especially from low-income backgrounds, cannot afford the fees required to register patents, trademarks, or copyrights. Moreover, the legal costs involved in defending IP rights—through litigation or administrative processes—are prohibitively high for most individuals and small enterprises. According to Adewopo, the average Nigerian entrepreneur views IP registration as an elitist or bureaucratic process, disconnected from their everyday commercial realities.[59] As a result, many creative works go unregistered, leaving them vulnerable to exploitation and piracy.

Cultural Factors Affecting IP Implementation in Nigeria

1. Communal Ownership Traditions

Traditional Nigerian society places a strong emphasis on communal ownership of knowledge and cultural expressions, which sometimes clashes with the Western concept of individual ownership central to modern IP law. Many indigenous works, including folklore, proverbs, songs, and crafts, are viewed as collective community heritage rather than the property of a single author or creator. This cultural orientation complicates the application of IP law, particularly copyright and traditional knowledge protection, as it challenges the notion of individual attribution and commercial exploitation of cultural products.[60]

[57]M. Oyebanji, (2021). Challenges in Enforcing IP Rights in Nigeria: Legal and Institutional Perspectives. *Nigerian Bar Journal*, 28(2), 56–74.

[58]World Bank. (2022). Informality in Nigeria: Trends and Policy Implications. https://www.worldbank.org

[59]A. Adewopo, (2020). Reforming Nigeria's IP Law for Innovation and Development. *Nigerian Law Journal*, 35(1), 12–28.

[60]M. Adebambo,. (2019). Intellectual Property and Traditional Knowledge in Nigeria: Challenges and Prospects. *Journal of African Law*, 63(2), 245–263.

Communities may resist or reject the registration of their traditions under private ownership frameworks, limiting the reach of IP enforcement.

2. Low Awareness and Education

The level of public awareness and understanding of intellectual property rights in Nigeria remains low. Many creators, particularly in rural or semi-urban areas, do not fully understand what IP rights entail, how they can be protected, or the benefits of registration. This ignorance extends to consumers, many of whom do not perceive piracy or counterfeiting as criminal behavior.Studies have shown that education plays a pivotal role in shaping attitudes toward IP compliance. Where IP education is absent—especially in schools, markets, and local trade associations—informal norms prevail, and infringement becomes normalized.[61] Until public education campaigns become more widespread, cultural resistance and unawareness will continue to hinder IP law enforcement.

3. Cultural Acceptance of Piracy

In many Nigerian communities, piracy is not only widespread but also culturally tolerated. Consumers often prefer pirated goods due to their affordability and accessibility. For example, pirated Nollywood films and foreign music CDs are commonly sold in open markets and street corners without social stigma. This cultural acceptance of piracy is rooted in socioeconomic realities—pirated goods offer value to consumers who cannot afford genuine products. Consequently, IP violations are not viewed as unethical, making it difficult to generate grassroots support for enforcement measures.[62]

Economic and Cultural Factors Affecting the Implementation of Intellectual Property Law in UK

Economic Factors Affecting IP Implementation in UK

1. Innovation-Driven Economy and Commercial Value of IP

The UK's economy is increasingly knowledge-based, with significant contributions from industries that rely heavily on IP, including pharmaceuticals, software, fashion, and creative arts. According to the UK Intellectual Property Office[63], IP-intensive industries account for more than 25% of UK GDP and nearly 30% of employment.[64] This economic structure underscores the importance of effective IP law implementation as a tool to protect commercial interests and maintain global competitiveness.The commercial value of IP assets has prompted firms to invest in legal protections and enforce rights more vigorously. Multinational companies and startups alike view IP as an integral part of their business strategy. However, the increasing volume and complexity of IP portfolios have also led to challenges in litigation, dispute resolution, and international enforcement. High costs associated with IP litigation can deter smaller firms from defending their rights, creating disparities in

[61]O. Okediran, & B. Nwafor, (2022). Intellectual Property Awareness among Nigerian Creatives: A Critical Survey. *African Journal of Law and Technology*, 14(3), 67–85.

[62]C. Onuorah, (2021). Piracy and Public Perception in Nigeria's Entertainment Sector. *Lagos Review of Law and Society*, 10(4), 105–123.

[63] UKIPO. (2022). *Economic Contribution of IP-Intensive Industries to the UK Economy*. https://www.gov.uk

[64]Ibid.

access to justice (European IPR Helpdesk, 2023).

2. Costs and Accessibility of IP Protection

While the UK provides a structured and relatively efficient IP registration process, economic barriers remain, particularly for small and medium-sized enterprises (SMEs), artists, and individual inventors. The costs of registering patents and trademarks, as well as maintaining them, can be prohibitive. The average cost of obtaining a UK patent through to grant can range from £4,000 to £20,000, depending on complexity and legal representation.[65]Moreover, enforcement costs are significant. Legal action to defend IP rights in civil court can be expensive, with legal fees and court costs potentially running into tens of thousands of pounds. This economic reality can deter legitimate rights holders from pursuing enforcement, especially if the potential damages are modest. As a result, implementation is skewed in favor of larger corporations with the resources to enforce their rights.

3. Globalization and Cross-Border Infringement

The UK operates in a highly globalized economy, where cross-border trade, digital distribution, and e-commerce complicate the enforcement of IP rights. Following Brexit, the UK is no longer part of the EU's unified IP framework, including the European Union Trademark (EUTM) and Community Design Rights, which has increased administrative and financial burdens for UK businesses operating across Europe.[66]Global trade also facilitates the flow of counterfeit goods, particularly through online platforms. According to OECD and EUIPO[67], the UK is among the top ten countries affected by counterfeit trade in Europe, with significant inflows of fake pharmaceuticals, electronics, and fashion items. These economic realities stretch enforcement resources and challenge the UK's ability to ensure IP protection at both national and international levels.

Cultural Factors Affecting IP Implementation in UK

1. Public Perception and IP Awareness

Public understanding and appreciation of intellectual property (IP) rights play a crucial role in determining the effectiveness of IP implementation and enforcement in any jurisdiction. Without a certain level of public buy-in, even the most comprehensive legal frameworks and enforcement mechanisms can fail to achieve their intended goals. In the United Kingdom, awareness of IP rights among the general population remains somewhat inconsistent, reflecting a mix of basic familiarity with certain IP concepts and notable gaps in understanding their real-world application. According to a survey conducted by the UK Intellectual Property Office (UKIPO), most individuals can identify and describe common IP categories such as copyright, trademarks, and, to a lesser extent, patents. However, while this recognition suggests that the public is not entirely ignorant of IP concepts, it does not necessarily translate into a deep comprehension of how these rights function in everyday contexts. For example, many respondents could identify a trademarked logo or understand that books are protected by copyright, but far fewer were aware of how these protections apply to digital content,

[65] CIPA. (2023). *Patent Costs Explained*. Chartered Institute of Patent Attorneys. https://www.cipa.org.uk

[66] UKIPO. (2021). *Public Attitudes to IP: 2021 Report*. https://www.gov.uk/government/publications

[67] European IPR Helpdesk. (2023). *SME Guide to Intellectual Property*. https://intellectual-property-helpdesk.ec.europa.eu

emerging technologies, or user-generated media.A key finding from the UKIPO's research is that many consumers fail to perceive certain types of infringement particularly those occurring in digital environments—as serious offenses. This is especially evident in the case of online piracy, streaming of unauthorized content, and the use of counterfeit goods. While the law treats these activities as violations with potential legal consequences, a significant portion of the population, especially younger digital natives, often frames them as socially acceptable or even morally justifiable.

The normalization of piracy has been particularly prominent among university students and young professionals. For instance, surveys and anecdotal evidence suggest that a substantial number of students routinely download copyrighted textbooks, stream movies from unauthorized sites, or install cracked software to avoid licensing costs. These behaviors are often rationalized with explanations such as high prices, lack of affordable legal alternatives, or a belief that such actions do not cause meaningful harm to creators. In many cases, the ethical dimension of IP infringement is overshadowed by the perception that these acts are victimless crimes.

Cultural framing plays a powerful role in shaping these attitudes. In some social circles, piracy is not only normalized but also shared as a communal resource. A friend or peer might distribute cracked software or share login credentials to premium streaming platforms, and these acts are often seen as acts of generosity rather than as violations of the law. This informal sharing culture further reinforces the idea that infringement is acceptable when it benefits people one knows personally.

The perception problem extends beyond digital content to the physical marketplace as well. The purchase of counterfeit fashion items, electronics, or accessories is often seen as a cost-effective alternative to buying genuine products. While some consumers are deceived into believing they are buying authentic goods, many knowingly purchase fakes because they view the savings as outweighing any ethical or legal concerns. In certain communities, counterfeit goods even carry a form of social acceptance, particularly when they are viewed as indistinguishable from the originals in terms of style or utility.These attitudes pose a significant challenge to IP enforcement efforts. When infringement is culturally normalized or ethically minimized, it becomes more difficult for law enforcement agencies and rights holders to secure cooperation from the public. For instance, whistleblowing on piracy operations or reporting the sale of counterfeit goods may be seen as unnecessary or even socially unacceptable. As a result, enforcement agencies are often forced to focus on large-scale commercial infringers while low-level personal infringements go largely unaddressed.

CONCLUSION

In conclusion, the role of IP law in entrepreneurship development is multifaceted and far-reaching. In the United Kingdom, the strong IP ecosystem reinforces innovation and supports sustainable business growth. In Nigeria, IP law holds significant untapped

potential, hindered by outdated legislation, weak enforcement, and limited public engagement. However, there are promising signs of transformation, particularly in the wake of digital innovation, policy reform, and growing entrepreneurial enthusiasm. By learning from each other and fostering bilateral cooperation in IP governance, training, enforcement, and digital infrastructure, Nigeria and the UK can both enhance their entrepreneurial landscapes. Ultimately, the study affirms that intellectual property law must not be viewed solely as a legal instrument but as a strategic driver of innovation, enterprise, and inclusive economic development.

Recommendations

For Nigeria, it is recommended that the government strengthens the enforcement of intellectual property laws by establishing specialized intellectual property courts and increasing funding for intellectual property enforcement agencies. Additionally, there is a need for increased awareness and education on intellectual property rights among entrepreneurs, inventors, and the general public.

In the United Kingdom, it is recommended that policymakers continue to support initiatives that promote innovation and entrepreneurship, such as funding for research and development, and programs that encourage the commercialization of intellectual property. Furthermore, the UK government can consider implementing policies that facilitate the transfer of intellectual property rights from universities and research institutions to entrepreneurs and businesses.

Comparative analysis between Nigeria and the UK reveals that both countries can learn from each other's strengths and weaknesses. Nigeria can benefit from the UK's experience in enforcing intellectual property rights and promoting innovation, while the UK can learn from Nigeria's efforts to develop its intellectual property framework.

Researchers should conduct detailed comparative studies of IP legal frameworks in Nigeria and the UK, focusing on how each system supports or hinders entrepreneurial activities. This would help identify gaps, best practices, and opportunities for harmonization or adaptation of successful models.

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