

Establishing *bona fide* use in the Middle East and Africa

The *bona fide* use requirement in the Middle East and Africa differs significantly from that in the United States. We examine the different evidence that may be considered when challenging an applicant's use in administrative or court proceedings

The *bona fide* use requirement in the Middle East and Africa differs significantly from that in the United States. Beginning with an overview of the statutory provisions on use in the local trademark laws – along with the various procedural contexts in which the issue may arise – this article examines the different evidence that may be considered when challenging an applicant's use in administrative or court proceedings.

AUTHOR
ZEINA SALAMEH

Statutory provisions

Use is not required for registration in the Middle East and Africa (with the exception of Algeria at the time of renewal). However, failure to use the trademark within a specific period will, in principle, subject a registration to cancellation on the grounds of non-use. That period varies according to the laws of each country; it is often five years and could be as short as three years – as it is in the United States.

Applicable practice on use

While in the United States a cancellation action is similar to an opposition action, the situation is quite different in the Middle East and Africa. More specifically, administrative procedures for cancelling a trademark are available only in Jordan and Oman. Elsewhere, cancellation actions must be brought before the local courts, which can lead to much longer, more costly and less predictable proceedings. Another issue is burden of proof. In most countries, the burden of proof in a cancellation proceeding usually rests with the plaintiff, which must prove that the registered trademark should not be registered. This renders non-use cancellation actions expensive, since a negative – namely, that a mark is not in use – must be proven.

Standards of use

Notwithstanding the complicated legal proceedings of a non-use cancellation action, it is vital to establish valid and genuine use in the country or countries at issue. The trademark must be used directly through the sale of goods bearing the mark (or rendering of services under the mark, as the case may be). Other standards of use are available, but are not clearly defined in the underlying laws and regulations.

In fact, the body of case law adjudicating the issue of *bona fide* use sheds no clear light on the types of affirmative activities and explanations for the absence of active plans that will be deemed sufficient proof of *bona fide* use, either in a summary judgment motion or at trial. The activities that could be deemed indicative of *bona fide* use include:

- conducting a trademark availability search;
- advertising the trademark extensively in the press and on television;
- undertaking preparatory graphic design work or labelling sales material for products;
- printing brochures, leaflets and pamphlets;
- using the mark in international jurisdictions;
- using the mark in a form that differs from the mark as it is filed or registered, provided that its distinctive character is not altered;
- displaying the mark at exhibitions or in showrooms;
- providing testimony relating to informal, unwritten business plans or market research;
- obtaining necessary regulatory permits;
- obtaining a correlative domain name for the mark or setting up a website;
- using the mark on the Internet;
- making contact with individuals who might help to develop a business;
- carrying out market research or a survey to investigate customer interest in the mark;
- providing business correspondence mentioning planned use of the mark in the country;
- attempting to find licensees in the country;
- using the mark in contractual agreements (eg, licence agreements), which demonstrates a serious intention to use the mark in the future; and
- having a credible marketing reason for deferring the product's introduction (eg, US sanctions).

Trademark owners can rely on all of these in their defence, but the outcome will not be conclusive. Therefore, the question of valid use can be tackled only from a practical perspective, meaning that the answer to what constitutes valid use should never be considered as definite and exhaustive.

Excusable non-use

Non-use due to circumstances outside the trademark owner’s control may be considered excusable. Courts may generally be receptive to the contention that an owner has not abandoned its trademark as a result of excusable non-use. Examples of circumstances deemed to be outside the trademark owner’s control include legal restrictions on the continued sale of goods under the mark, the bankruptcy or insolvency of the trademark owner, civil unrest or a lack of demand for the underlying goods or services.

Alterations

Material alteration of a mark or the goods or services offered under it may make it vulnerable to a non-use cancellation action. However, if the original trademark and the revised version create the same continuing commercial impression and the trademarks are used on or in connection with the same or substantially similar goods or services, the owner may retain its rights to the mark. Minor modifications to the original trademark may be permissible without the need to file new applications, but the addition or deletion of key words or substantial changes to the design will necessitate new applications (which also means that the owner will lose the benefit of the prior filing date). If the owner wishes to avoid a non-use cancellation action, consumers must consider the original and later versions of the trademark to be virtually indistinguishable.

Available remedies in non-use cancellation proceeding

In most jurisdictions, the only remedy available in a non-use cancellation proceeding is cancellation of the

trademark registration. However, in some jurisdictions the losing party must bear the fees and costs of the prevailing party, generally up to a certain limit. In a small number of jurisdictions, the prevailing party may be awarded attorneys’ fees. Generally, other remedies may be sought through the initiation of civil or criminal proceedings, depending on the jurisdiction.

Legal and practical effects of non-use cancellation action

The most practical reason to file a non-use cancellation action is to remove a registration that is impeding the petitioner’s own application. A cancellation action is often also used to create leverage when an applicant seeks a coexistence agreement with the registrant: faced with the threat of cancellation, the registrant may be more amenable to entering into an agreement which defines the scope of use of the respective trademarks. However, while the work flow is systematic to some extent, the uncertainty involved when it comes to the admission of coexistence agreements in general should be factored in. There are no hard and fast standards in the Middle East and Africa as there are in the United States. For example, even though coexistence agreements are considered by the examiner/appeal committee, they are of a persuasive rather than a binding nature. In fact, the question of how effective a coexistence agreement would be cannot easily be addressed, given the circumstances. In other words, no clear guidelines or actual directives have been communicated by relevant authorities on this issue. This means that authorities may become more liberal or more stringent at any time and without notice.

Re-filing registrations

Often a trademark filing programme will include many countries of interest at the time the business introduces the mark, although actual use may not occur for a number of years down the line. In order to avoid reliance on registrations that are vulnerable to non-use cancellation actions, applications to re-register can be made for some trademarks in key countries, particularly if the vulnerability cannot be countered by recommending use.

Licence recordal

In general, licence recordal is not compulsory, except in Iraq, Libya, Oman, Qatar and Syria. However, recording is necessary and advisable in order for the licence and the rights of the licensee to have effect against third parties. When it comes to non-use cancellation actions, failure to record an agreement may undermine the licensee’s attempts to enforce rights against any cancellation action brought by a third party based on non-use. No countries in the region (except for Lebanon) are members of the Singapore Treaty (which was adopted in Singapore on March 27 2006 and entered into force on March 16 2009), which imposes limits on licence recordal requirements, as well as on the penalties associated with failure to record licences. Accession to this treaty would help to create common standards across the region for procedural aspects of trademark registration and licensing. **WTR**

TABLE 1: Period of non-use permitted before registration is subject to cancellation

Country	Regulatory provision
Egypt	A trademark is vulnerable to cancellation by any interested party if there has been no effective use of it for five consecutive years.
Jordan	A trademark is vulnerable to cancellation by any interested party if there has been no effective use of it for three consecutive years preceding the date of filing for cancellation.
Kuwait	A trademark is vulnerable to cancellation by any interested party if there has been no effective use of it for five consecutive years preceding the date of filing for cancellation.
Lebanon	There are no provisions on cancellation for non-use.
Oman	A trademark is vulnerable to cancellation by any interested party if there has been no effective use of it for five consecutive years from the date of registration.
Qatar	A trademark is vulnerable to cancellation by any interested party if there has been no effective use of it for five consecutive years preceding the date of filing for cancellation.
Syria	A trademark is vulnerable to cancellation by any interested party if there has been no effective use of it for three consecutive years preceding the date of filing for cancellation.
United Arab Emirates	A trademark is vulnerable to cancellation by any interested party if there has been no effective use of it for five consecutive years from the date of registration.
Yemen	A trademark is vulnerable to cancellation by any interested party if there has been no effective use of it for five consecutive years preceding the date of filing for cancellation.

 Zeina Salameh is manager – key accounts at Saba & Co IP
zsalameh@sabaip.com