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# Industry focus: the sweet smell of success for confectionery trademarks in the Middle East and North Africa

The Middle East and North Africa is a lucrative but competitive market for confectioners, with cases fought over the tiniest elements of packaging. Global brands should familiarise themselves with the similarities – and differences – between local regimes before diving in

Confectionery businesses are going to surprising lengths in order to protect themselves in an increasingly competitive market, where the stakes have never been higher. Owners of global brands are keen to deny their competitors any form of advantage, fighting to protect even the smallest elements of their brands. So what trademark issues specific to the Middle East and North Africa (MENA) region should confectioners be aware of when it comes to protecting their valuable trademarks?

## Packaging and three-dimensional trademarks

It is often possible to register aspects of a product's shape or its packaging as a three-dimensional (3D) trademark. A 3D mark can receive similar protection to any other trademark and can be secured with a simple trademark application. Trademark laws across the region are largely harmonised, except for a few countries such as Lebanon and Morocco. Almost all articles defining absolute grounds for registration are equivalent in content and should be interpreted in the same way, with minor differences in scope only. In Saudi Arabia, for example, the scope is limited to that which does not violate *Sharia* (Islamic) law.

However, difficulties can arise during substantive examination, where practice differs considerably between countries. In some jurisdictions, the application for a product shape as a trademark will be accepted without objection as long as the product appearance has the requisite distinctive character. This means that the more closely the mark resembles the shape most likely to be taken by the product in question, the greater the likelihood that it is devoid of any distinctive character. The trademark offices of Saudi Arabia and Kuwait often issue office actions of this type. In some other countries, a product shape will not be accepted as a trademark unless the print includes core word marks. Also, if the product's appearance is functional, it may be barred from protection completely. The most probable reason for this stance is to maintain a balance between trademark laws and design laws, the latter being used to protect products that have some patentable function.

## Colour marks

Most laws in the region do not provide specifically for the registration of non-traditional trademarks, such as colour marks. Libya is among one of the few countries that has introduced clear provisions broadening the definition of a 'trademark' to include trade names, sound marks and colour marks. However, many issues relating to the definition, scope and enforceability of marks remain unclear. Even if colour marks are admissible in a jurisdiction, there is a good chance that an examiner would reject this type of application because there are few or even no precedents in the matter. Trademark offices will accept applications for colour marks only if these are associated with a conventional trademark (ie, a word mark, device or combination of the two).

## Slogans

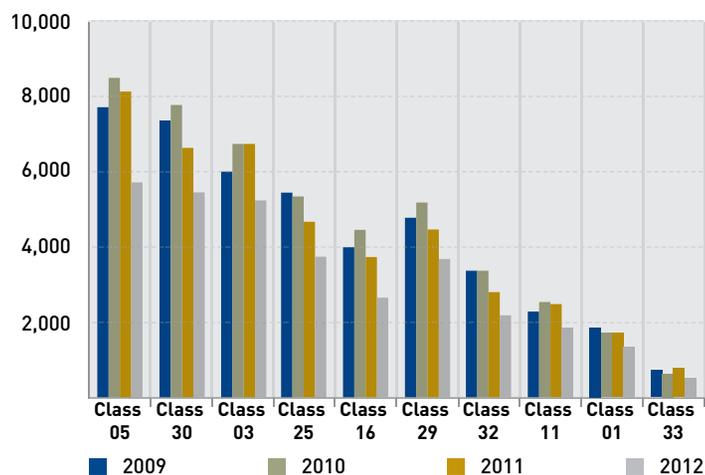
Unlike the situation in common law countries, brand owners in the MENA region do not usually face significant difficulties registering slogans. While European and US authorities often refuse requests on the grounds that a slogan either is purely descriptive of the products or services it promotes or lacks distinctiveness, these types of trademark application are passed on absolute grounds by most MENA trademark offices (with some exceptions, such as Iran), provided that the slogan in question is not explicitly descriptive of the products involved. Often brand owners are not even required to prove that the slogan they wish to protect has acquired secondary meaning.

## Classification

There are no specific requirements when it comes to registering marks in Classes 29 and 30. With regard to the specification of goods, in some countries the applicant can file an application claiming the whole class without specifying the particular goods. Consequently, the use of class headings constitutes a claim to all of the goods falling within this particular class and implicitly covers any goods directly related to the class headings (ie, more than the literal meaning of the class headings). However, there is an exception to this rule in Qatar. Although class headings are admissible in Class 30, applicants must specify the goods in Class 29 – otherwise, the application will be rejected on absolute grounds.

Further restrictions have also been introduced by other countries, such as Jordan and Sudan, where the applicant must specify the goods in the class to prevent the application from being rejected. In other words, the actual language of the goods specified in the registration will define the parameters of the scope of protection provided by a registration.

Figure 1. Filings by year and class



### Search and examination

Searches between related classes – namely, Classes 29 and 30 – are not performed on an *ex officio* basis. As for examination, a mark is not usually rejected on relative grounds based on the existence of a prior mark in a related class, unless that mark is considered well known in the relevant country. Unlike the United States, countries in the MENA region have no express anti-dilution provisions set out in their trademark laws. Nevertheless, many countries introduced provisions on the likelihood of confusion between conflicting marks when they implemented the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs). In principle, these provisions should provide a basis for action in cases of dilution. However, there is some doubt over whether they are sufficient. Some courts have reiterated that when dilution is accompanied by confusion as to the source, it will affect the goodwill, reputation and trade name established by the plaintiff, especially when the goods involved are closely related and would be sold in the same channels of trade to the same consumers.

### Use and registration

Seeing that almost all countries in the MENA region are governed by civil law (meaning that the code typically covers the complete system of the law exhaustively), the concept of first to file carries considerable weight. While some countries may offer a limited number of common law rights, registration is highly recommended and can be used as a basis on which to sue an infringer – although the risks of a non-use cancellation action must be factored into any filing strategy. However, the situation differs significantly from the United States, where a non-use cancellation action is similar to an opposition action in applicable law. In most MENA countries, non-use cancellation actions must be brought before the local courts, which can greatly increase the time, costs and even predictability of such proceedings.

### Famous confectionery marks

Most countries in the region – with the exception of Lebanon and Iran – have clearly applicable statutory provisions in their national laws to protect famous marks. Membership of the Paris Convention (all countries are members, with the exception of Kuwait) has helped significantly on the litigation front, as evidenced by the number of

ground-breaking court decisions which have been issued over the past several years, signalling a positive change for rights holders.

Further, all countries are either members or observers of the World Trade Organisation (except for Syria) which, of course, extends to TRIPs. Part II of TRIPs addresses each IP right in succession. Article 16(3) states that in relation to registered marks, Article 6*bis* should apply to non-similar goods or services, provided that use of the later mark indicates a connection to the owner of the well-known mark and that the interests of this owner are likely to be damaged. However, there are no clear regulations or case law that comment specifically on the prerequisites for claiming protection under Article 6*bis*.

Although it is impossible to define a famous mark precisely, examples of famous marks in the region include PEPSI, LAY'S, COCA-COLA, OREO, TANG, KIT KAT and NESCAFE. The extent to which a trademark is considered famous is usually determined according to the international standards for the protection of well-known trademarks (Article 6*bis* of the Paris Convention), as well as to local standards for well-known trademark protection. Any probative evidence will be accepted and a determination will be based on the totality of the evidence, including such factors as:

- the duration and geographic extent of sales;
- sales figures;
- advertising figures and samples of advertising;
- awards, reviews and press reports;
- the reputation of the mark within the relevant trade and consumer groups in the country; and
- expert testimony and surveys designed to assess the recognition of brand names

### Trademarks in Arabic

When a trademark is used in foreign markets, careful attention must be paid to both language and culture. Although it is not necessary to display the Arabic transliteration of the Latin mark on the products sold (except in Saudi Arabia and the United Arab Emirates), the process of transliterating a trademark into its local character or language is important for rights holders seeking to promote or sell their products in that market, because many consumers will identify goods by their local character trademark, depending on the degree of local recognition and knowledge of foreign languages.

When it comes to registration, a trademark in Latin should provide protection against the registration of another mark with a prominently featured or at least confusingly similar Arabic transliteration capable of creating public confusion. In fact, most Arab countries are signatories to international agreements which address the protection of trademarks across different languages and different character scripts as part of the wider concept of protection against unfair competition, including the Paris Convention, TRIPs and the Madrid Agreement and Protocol for the international registration of marks. However, there are certain instances where confusion across different languages is not so evident. While transliterated marks are protected, variations of them do not always fall within the scope of protection, making the registration of the Arabic rendition highly recommended

### Enforcement

To some confectioners, the packaging is all that matters and so protecting the key traits and features of this cannot be disregarded. Rights holders must be ready and willing to adopt a trademark protection model that incorporates both legal and regulatory approaches in order to arrive at a well-thought-out trademark protection strategy.

Table 1. Country comparison

Country	Nice edition adopted	Member of the Nice Agreement?	Is it possible to claim class headings?
Algeria	10th	Yes (entry into force: July 5 1972)	Yes, provided that the headings are specified. Using the phrase "all goods/ services in the class" is not acceptable
Bahrain	10th	Yes (entry into force: December 15 2005)	Yes, provided that the headings are specified. Using the phrase "all goods/ services in the class" is not acceptable
Djibouti	8th	No	Yes
Egypt	10th	Yes (entry into force: June 18 2005)	Yes
Gaza	8th; Class 33 and alcoholic goods in Class 32 cannot be registered	No	Yes, provided that the headings are specified. Using the phrase "all goods/ services in the class" is not acceptable
Iraq	7th, with local sub-classification	No	Yes (an applicant can only claim class headings)
Jordan	10th	Yes (entry into force: November 14 2008)	No
Kuwait	8th; Class 33, alcoholic goods in Class 32 and pork meat in Class 29 cannot be registered	No	Yes
Lebanon	10th	Yes (entry into force: April 18 1961)	Yes
Libya	8th; Class 33, alcoholic goods in Class 32, as well as Christmas trees and related products in Class 28 cannot be registered	No	Yes, provided that the headings are specified. Using the phrase "all goods/ services in the class" is not acceptable
Morocco	10th	Yes (entry into force: October 1 1966)	Yes
Oman	10th	No	No
Qatar	7th; Class 33 and alcoholic goods in Class 32 cannot be registered	No	Yes for all classes except for Classes 1, 4 to 7, 10 to 14, 16 to 22, 29, and 31
Saudi Arabia	10th; Class 33, alcoholic goods in Class 32, pork meat in Class 29, and Christmas trees and related products in Class 28 cannot be registered	No	Yes, provided that the headings are specified. Using the phrase "all goods/ services in the class" is not acceptable
Sudan	8th; Class 33 and alcoholic goods in Class 32 cannot be registered	No	No
Syria	10th	Yes (entry into force: March 28 2005)	Yes
Tunisia	10th	Yes (entry into force: May 29 1967)	Yes, provided that the headings are specified. Using the phrase "all goods/ services in the class" is not acceptable
UAE	10th; Class 33 and alcoholic goods in Class 32 cannot be registered	No	Yes
West Bank	8th	No	Yes, provided that the headings are specified. Using the phrase "all goods/ services in the class" is not acceptable
Yemen	8th; Class 33 and alcoholic goods in Class 32 cannot be registered	No	Yes

### Infringement claim

When it comes to an infringement claim, the owner must establish that:

- there is a valid mark entitled to protection;
- other parties are using this mark in connection with the sale or advertising of goods without consent; and
- this use is likely to cause confusion.

Even in the presence of valid trademark registrations for the shape of the product or its packaging, establishing likelihood of confusion is always the central focus, which can be difficult to

prove. According to the practice in some countries – particularly Saudi Arabia, the United Arab Emirates and Kuwait – the courts do not look beyond the word marks at issue. Infringement is usually found if the word marks are sufficiently similar that consumer confusion can be expected. Factors such as the degree of similarity between the marks involved, the degree of distinctiveness of the mark and its recognisability are directly implicated. The courts may, but will not necessarily, give weight to expert testimony and surveys designed to prove actual consumer confusion (in cases where the rights holder can present evidence of this).

Table 2. **Treaty update**

	Paris Convention	TRIPs	Trademark Law Treaty	Madrid Agreement (source)	Madrid Agreement (marks)	Madrid Protocol
Algeria	X			X	X	
Bahrain	X		X			X
Egypt	X		X	X	X	X (signature)
Iraq	X					
Jordan	X					
Kuwait						
Lebanon	X			X		
Libya	X					
Morocco	X		X (signature)	X	X	X
Oman	X					
Qatar	X					
Saudi Arabia	X					
Sudan	X				X	
Syria	X			X	X	X
Tunisia	X			X		
UAE	X					
Yemen	X					

### Unfair competition claim

As for the possibility of bringing an unfair competition claim, most countries in the MENA region are governed by civil law and so have unfair competition statutes. The focus of unfair competition claims is generally on consumer deception or a threat to business interests. Although such claims may overlap with trademark infringement, the burden of proof in an unfair competition claim will generally be higher than when rights holders seek to prove that their registered marks are being infringed.

### Commercial anti-fraud department

The official anti-fraud and regulatory bodies available in some countries – including Saudi Arabia, the United Arab Emirates, Oman and lately the Kurdish region of Iraq – have jurisdiction for administrative action to enforce trademark rights in their own countries. These bodies usually consider complaints against counterfeits or lookalikes only, and raids are typically carried out if the findings are conclusive. In Saudi Arabia, for example, the latest semi-annual report of the Saudi Commercial Anti-fraud Department reported that more than 2,000 complaints were filed in the second half of 2013 with the Ministry of Trade and Industry against local companies for the alleged distribution of counterfeit products, including confectionery. The report also gives credit to the joint efforts of the Commercial Anti-fraud Department and Customs, which have led to the seizure of a significant amount of counterfeit goods imported into the country. The perpetrators were subject to penalties (as defined by the country's Trademark Law and Commercial Anti-fraud Law) including monetary fines of up to Sr1 million (approximately \$260,000) as well as legal prosecution resulting in up to three years' imprisonment. As a side note, most countries in the MENA region have anti-commercial fraud laws designed to enact legal measures and policies against commercial fraud. The latest of these was endorsed in the United Arab Emirates in 2013. Although there is as yet no pan-Arab anti-commercial fraud law, a unified law for the Gulf Cooperation Council is expected to be endorsed once it is approved by all member states.

### Customs recordal

Customs recordal procedures are available in a number of countries, including Algeria, Morocco, Sudan, Tunisia and the United Arab Emirates (although in only three emirates out of seven). Recordal is also expected to be adopted in Qatar and Abu Dhabi (a UAE emirate), although the timing for implementation is unknown. One fundamental premise of the recordation system (other than providing a central registry containing information for recorded trademarks) is that it should allow customs officials to implement an *ex officio* border protection system. This differs from the standard border protection system in which a judicial authority orders Customs to detain the infringing shipment after identifying the infringing goods. The key advantage is that an *ex officio* system allows for prompt and proactive action by customs officials, thus avoiding the delays inherent in seeking judicial action. Customs officials are always on the look-out for infringing goods and such a system would enable them to act quickly to confiscate counterfeit and pirated merchandise. [WTR](#)

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