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Iran, is the second-largest nation in the Middle East. Iran shares borders with Armenia, Azerbaijan, Kazakhstan, Turkmenistan, Afghanistan, Pakistan, Turkey, and Iraq. The country has a coastline that stretches 2,440 km along the Caspian Sea, Persian Gulf, and Gulf of Oman.

Iran’s GDP (purchasing power parity) is estimated to be $987.1 billion, whereas the GDP per capita is $12,800. Industry accounts for 44.9 percent of the GDP composition, followed by 44.5 percent for services, and 10.6 percent for agriculture. Industries in Iran include petroleum, petrochemicals, construction materials, and food processing. The country’s main exports are petroleum and chemical and petrochemical products. Imports to Iran include industrial supplies, capital goods, foodstuffs and other consumer goods, and technical services.

As aforementioned in earlier editions of the Saba IP Bulletin, Iran is expected to become a major hub for regional trade following the imminent lifting of sanctions. In the coming weeks and months, we recommend that brand owners start reviewing and assessing their existing IP portfolio in the country in order to ensure that their portfolio management strategies are aligned with the overall business strategy.
IRAN: TRADEMARKS REGISTRATION

Multiple class applications; 8th edition of Nice classification is adopted. However, class 33 and alcoholic goods in class 32 cannot be registered in Iran.

The application will be examined on formal grounds, absolute grounds (inherent registrability of a mark), and relative grounds (conflict with prior trademark rights).

If it is found that certain conditions prescribed under the regulations are not fulfilled, the applicant will be notified.

Applicant is given a period of 60 days from notification date to respond.

Applicant may appeal before the Iranian Industrial Property Office (IIPO) Commission within 10 days from the date of receipt of notification.

Examiner sends applicant a notice of rejection.

Application Accepted?

No

Final Rejection decision issued.

Yes

Application accepted?

Yes

Application accepted?

No

Application abandoned or decision appealed before Court.

Counter-oppositions may be filed within 60 days from date of receipt of notification; extension of time is not possible; registrar’s final decision may be appealed.

In the absence of opposition, a Certificate is issued within 2 months following the opposition period; registration is valid for 10 years from filing date, renewable for like periods.

Trademark published in the Official Gazette. Oppositions may be filed within 30 days from publication date.

Any Opposition?

Yes

No
IRAN: PATENT REGISTRATION

The flowcharts below outline trademark and patent registration in Iran. A more detailed country profile may be viewed on our website.

Patent Application filed at the Iranian Industrial Property Office (IIPO) via Paris/PCT.

Formal Examination

Application Complete?

Yes

Notification to request and pay examination fees

No

Notification to correct defects within 60 days

Examination Report

Decision

Yes

Patent Granted

No

This flow chart is for informational purposes only and should not be relied upon as legal advice. Legal or other professional counseling should be sought from our firm’s Head Office. ©2015 Saba & Co. IP
SAUDI ARABIA: ONLINE FILING OF TRADEMARK

Trademark renewals are expected to be filed online in Saudi Arabia by the end of the year.

There have been a number of unconfirmed reports that the renewal of trademarks will only be filed online. The move to electronic filing of trademark registrations back in late 2013 saw a substantial increase in publication fees. Accordingly, we expect that this time around as well that the move to e-filing will be coupled with an increase in publication fees related to the trademark renewals.

The online filing of trademark recordals is expected to come into force next year. As such, an increase in the publication fees of the recordal of assignments, licenses and mergers is expected. We do not foresee a change in the fees for the recordal of change of name and address, however.

As per the Saudi trademark law, a trademark may be renewed up to one Hijri year (approx. 354 days) before the renewal due date. Accordingly, we recommend that you apply for any renewals that fall due before the end of 2016 ahead of the expected increase in publication fees.

LIBYA: AFTER A LONG WAIT, TRADEMARK CERTIFICATES ISSUED ONCE MORE

The Trademark Office in Libya began issuing trademark registration certificates for applications in the 5000 series after years of civil unrest in the country.

In light of this new development, we will be reviewing the files for all pending applications awaiting certificates and will be following-up on their status with the TMO.
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 familiarize 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 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 harmonized, 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.
Color marks

Most laws in the region do not provide specifically for the registration of non-traditional trademarks, such as color 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 color marks. However, many issues relating to the definition, scope and enforceability of marks remain unclear. Even if color 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 color marks only if these are associated with a conventional trademark (i.e., 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 (i.e., 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.
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, signaling a positive change for rights holders.

Further, all countries are either members or observers of the World Trade Organization (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 6bis 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 6bis.

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 6bis 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.

- **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;
  - 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 recognizability 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).

- **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.
THE SABA NETWORK