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SAUDI ARABIA: INCREASE IN OFFICIAL FEES AND SUBSTANTIAL PROCEDURAL CHANGES IN TRADEMARK OPPOSITIONS

Pursuant to the Ministerial Decree approving the Implementing Regulations of the GCC Trademark Law, the official fees for trademark related matters will increase significantly across the board in comparison with their current level, and are expected to become effective in the country within the coming few days. The exact date of implementation is not clear yet but it is certain that the rates are going to be applied on all new as well as pending applications that are still awaiting examination.

The increase in fees will also be coupled with the introduction of a number of substantial procedural changes related to opposition:

- The opposition period has been modified. It will be set as 60 days from publication date (pre-grant of registration), instead of 90 days from publication date, based on Article 12 of the regulations, bringing the procedure more in line with international standards. An extension of time to oppose will not be possible.
- An opposition will no longer be a legal proceeding – administered only by the Board of Grievances or the Court of First Instance. Pursuant to the new regulations, oppositions will be handled by a newly-established Trademark Board, an administrative tribunal responsible for hearing *inter partes* opposition proceedings.
- Pursuant to Articles 12 and 13 of the regulations, the Trademark Board is expected to notify the applicant of the opposition within 30 days from opposition date. Afterwards, the applicant is expected to submit a written counter-statement within 60 days from notification date, non-extendable. The Trademark Board will then appoint a hearing for oral submissions by the opponent and the applicant as well as submissions of sufficient documentary evidence. The decision is expected to be rendered by the Trademark Board within 90 days following the hearing.

This is certainly an incremental process change that is expected with time to streamline the whole procedure and certainly result in a quick decision turnaround.



KUWAIT: PCT ENTERS INTO FORCE

As a reminder, Kuwait became the 149th member of the Patent Cooperation Treaty (PCT) on June 9, 2016, and the sixth and final Gulf Cooperation Council (GCC) member state to accede to the PCT.

Accordingly, Kuwait became bound by the PCT on September 9, 2016 and KW will be automatically designated on all PCT applications as of that date. The Ministry of Commerce and Industry, Trademarks and Patent Department announced that it has delegated its Receiving Office (RO) functions to the International Bureau (IB). Furthermore, the Ministry listed the Egyptian Patent Office and the European Patent Office as the competent International Searching and Preliminary Examining Authorities (ISA & IPEA), for international applications filed by nationals and residents of Kuwait.



The applicable time limit for national phase entry (NPE) under both Ch. I and Ch. II is 30 months from the earliest priority, with the possibility for restoration of the right of priority under PCT Rule 49ter.2 for both “unintentional” and “due care” requests.

In the absence of a new patent law and related implementing regulations to govern international filings and national phase entries, and pursuant to the recent announcement that the Kuwaiti Patent Office is no longer accepting new patent applications, it remains to be seen how these filings will be effected.



MENA: TRADEMARKS CHEAT SHEET

The Middle East and North Africa is a very attractive market for companies to consider when looking at expanding presence internationally. Given the improving legal landscape and developing economies of the countries in the region, it is certainly time to take a step back and consider your trademark portfolio and your filing strategy in the MENA. The below cheat sheet sums up the most important and relevant questions on filing a trademark in the region.

Is it mandatory to register a trademark in the Middle East and North Africa?

Most countries in this region are in general first-to-file countries. Therefore, trademark owners with plans to eventually expand into the MENA should consider filing trademark applications before someone exploits the brand's fame that has been established in the home country and files the same trademark abroad.

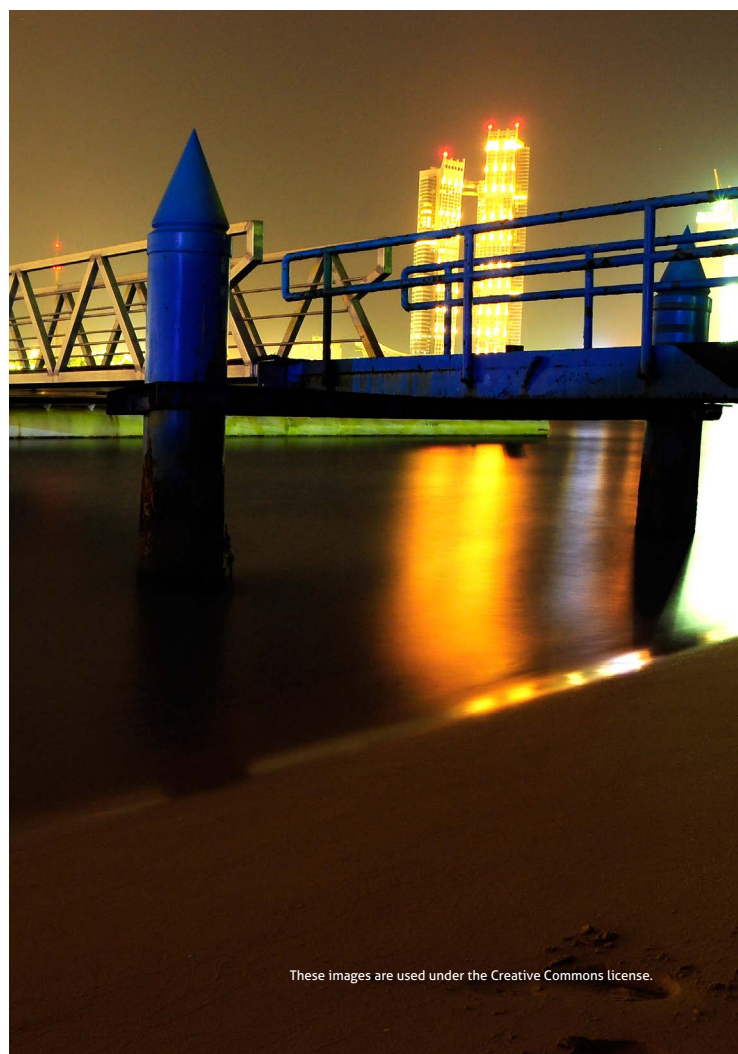
Is the use of a trademark a registration requirement?

It is possible to register a trademark in the MENA without actually using it. So it will not be necessary to provide detailed information in trademark applications regarding the existing use of the trademark. However, trademark rights should be maintained through actual use. Trademark registrations in most jurisdictions may be vulnerable to cancellation in the event of non-use, usually within a period of either three or five years.

How are trademark applications classified?

It is necessary to file applications in the MENA in respect of certain goods or services. All jurisdictions have adopted the Nice Classification with some having their own requirements as to what type of specification of goods or services will be permitted. For example, in Iran, Kuwait, Libya, Qatar, Saudi Arabia, Sudan, United Arab Emirates, and Yemen, class 33 and alcoholic goods in class 32 cannot be registered. Also, pork meat in class 29 cannot be registered in Kuwait and Saudi Arabia.

Furthermore, in some countries, the applicant can file an application claiming the whole class without specifying the particular goods/services. The Trademark Offices do not object to the use of any of the class headings as being too indefinite or non-specific (such is the case in Egypt and the UAE, for example). Even more, in Saudi Arabia a claim other than a class heading or an item from a class heading will not be accepted. In other countries, such as Jordan and Sudan, the applicant must specify the goods/services in the class, otherwise the application will not be accepted. In other words, the actual language used in the specification of the goods/services in the registration will define the parameters of the scope of protection of a trademark registration.



What are the rules for using the ™ or ® symbol?

Marking is not compulsory in the MENA. However, using any of those symbols on a trademark is advisable because it will give notice to the public about the owners' rights.

In principal, the ™ symbol may be used when trademark rights are claimed in relation to a mark that has not been registered at the Trademark Office of a particular jurisdiction, meaning that, the use of the ™ symbol does not mean a legally enforceable trademark. The registration symbol ®, however, does carry legal weight. It should only be used when the mark is registered with the Trademark Office of a particular jurisdiction. Using the symbol ® illegitimately may be treated as fraudulent marking in most of the countries in the region.

To what extent are trademark laws harmonized in the Middle East countries?

There is some element of harmonization with common standards available across the different MENA countries, though each country has the primary responsibility for the regulation of the trademark matters within its jurisdiction and consequently each has its own trademark laws with slight differences in the procedural aspects. The standard definition of a trademark is common and the absolute grounds of registration are relatively the same with some minor differences. In Saudi Arabia, for example, the trademark law is to be used in conjunction with the Shari'a law (the body of Islamic religious law).

With the exception of Morocco and Lebanon, *ex-officio* examination on relative grounds is performed in all countries. Also, nearly all countries except Lebanon and Algeria provide opposition proceedings prior to registration. Apart from Tunisia, decisions of TMOs in opposition proceedings are binding. The length of protection of a trademark and the method of renewing a trademark is almost the same - 10 years in nearly all countries (with the exception of Lebanon, West Bank, Gaza and Saudi Arabia).



What are the advantages of registering the Arabic rendition of a Latin trademark?

When it comes to the treatment of trademarks in a multi-lingual context, trademark laws of MENA countries are traditionally designed to avoid conflicts between marks across different languages, and to provide specifically for the protection of the transliteration of marks. Accordingly, the registration of a trademark in its Latin (original) script in any Arab country should, in general, provide protection against the registration of another confusingly similar transliteration liable to create public confusion. However, while the transliteration of the mark is protected, likelihood of confusion is easier to prove when comparing marks in the same language. Having said that, registering trademarks in transliterated Arabic script, in addition to their original format, is advisable considering that most countries in the region are in principal governed by civil law – that is, 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.

What factors should brand owners consider when choosing a trademark in Arabic?

When the trademark in question can be transliterated in different phonetic renditions, a vast scope of inconsistencies may come as a result of this. Careful thought and consideration must therefore be taken from the outset to select the most accurate and appropriate transliteration and to ensure that this version is consistently used.



MENA: A LOOK AT PATENT INFRINGEMENT EXCEPTIONS

The patent laws in practically all the region's countries clearly define what is considered to be an infringement act and from what date such acts may be considered infringing. As is the case however in most countries outside the region, there are many infringement exemptions which can be summarized in a brief statement: as long as the product and/or process is not being used for direct commercialization and profits, then any related acts are not considered an infringement.

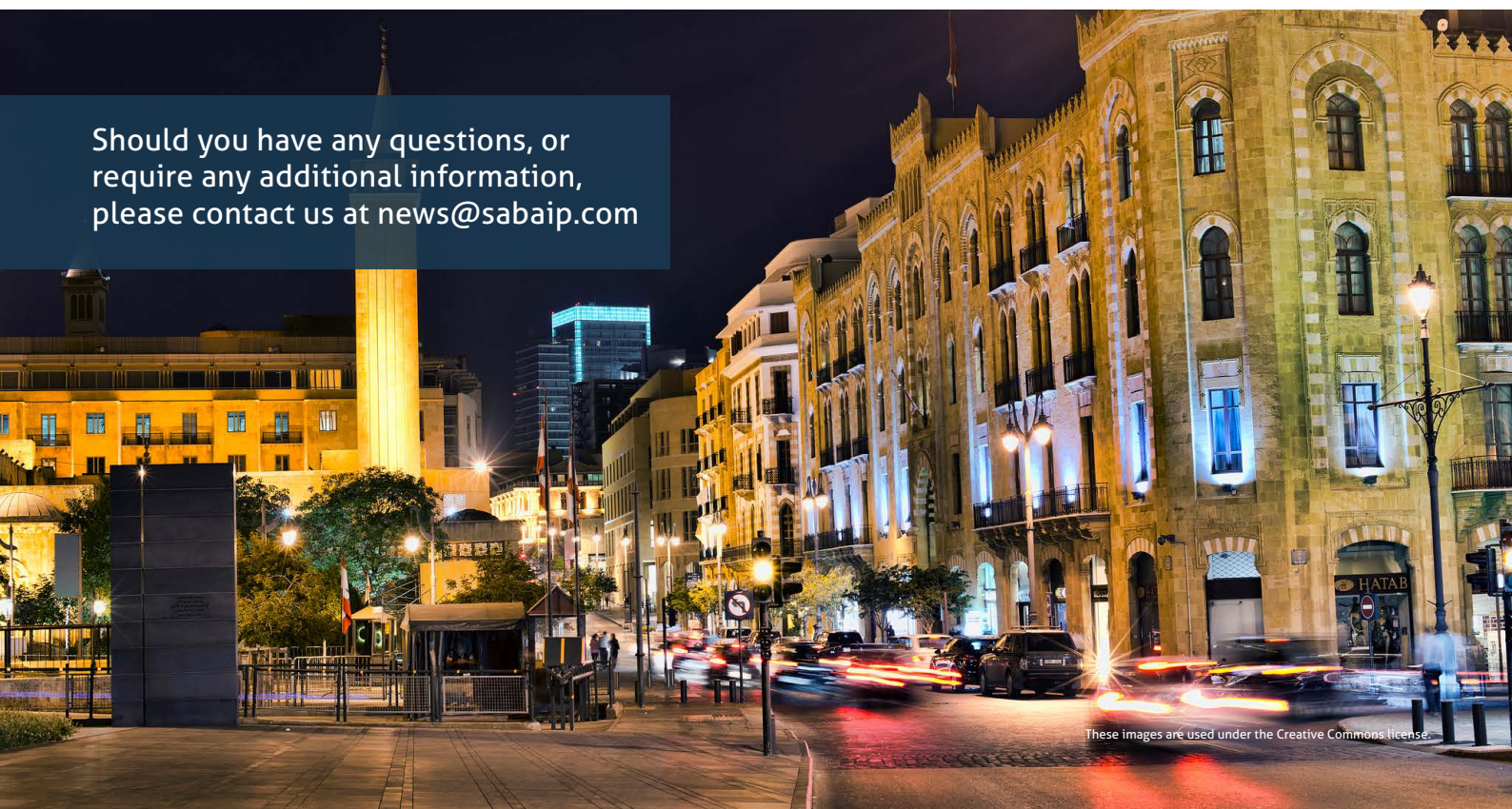
Essentially, this brief statement is very homologous to the more known Bolar Provision or the Hatch-Waxman Act. Indeed, as it is more and more apparent in the region, and primarily driven by the rapidly growing local generic industry, these exemptions stretch as far as submitting a marketing authorization dossier for prompt approval following the expiry of any related patency.

While the primary driver is the local generic industry, the need for cheaper medicaments where social healthcare dominates has driven local authorities to introduce into law preferential pricing for local generics, as well as force dispensaries to supply generic substitutes when ones are available.

There have not been any recorded cases of compulsory licensing in the region, but there have been cases where the health authorities have intervened to either prevent a patent from being issued or enter into negotiations with the innovator company to ensure a preferred pricing for the country in question.

In Egypt for example, Article 17 of Patent Law No. 82 of 2002 provisions that it is the right of the adequate authority, i.e. Ministry of Health, Ministry of Defense, to recommend the rejection of a patent application which decision is then communicated to the applicant by the Patent Office. Such cases are rare and only inventions that are considered of the utmost necessity to the country fall in this category.

Should you have any questions, or require any additional information, please contact us at news@sabaip.com



THE SABA NETWORK

Head Office

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
P.O. Box 11-9421
Tel: +961 5 45 48 88
Fax: +961 5 45 48 44
E-Mail: headoffice@sabaip.com

Algeria

Cabinet Boukrami
(In cooperation with Saba & Co. IP)
Centre Commercial et d'Affaires El Qods, BU 10-04B
Cheraga 16002
Algiers, Algeria
P.O. Box 86 Centre Commercial et d'Affaires El
Qods, Cheraga 16002
Tel: +213 21 34 11 61
Fax: +213 21 34 11 62
E-Mail: algeria@sabaip.com

Bahrain

Bahrain Tower, Al-Khalifa Road
Manama, Bahrain
P.O. Box 21013
Tel: +973 17 210 301
Fax: +973 17 224 699
E-Mail: bahrain@sabaip.com

Cyprus

Mitsis Building #2
14, Makarios Avenue
1065 Nicosia, Cyprus
P.O. Box 21143
1502 Nicosia
Tel: +357 22 755 434
Fax: +357 22 754 037
E-Mail: cyprus@sabaip.com

Djibouti

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
P.O. Box 11-9421
Tel: +961 5 45 48 88
Fax: +961 5 45 48 44
E-Mail: djibouti@sabaip.com

Egypt

10 Aisha El Taymouriah Street
Garden City, CP 11451
Cairo, Egypt
P.O. Box 129, Mohamed Farid
Tel: + 20 2 279 59686
Fax: + 20 2 279 52314
E-Mail: info@sabaip-eg.com

Ethiopia

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
P.O. Box 11-9421
Tel: +961 5 45 48 88
Fax: +961 5 45 48 44
E-Mail: ethiopia@sabaip.com

Gaza

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
P.O. Box 11-9421
Tel: +961 5 454 888
Fax: +961 5 454 844
E-Mail: gaza@sabaip.com

Iraq

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
P.O. Box 11-9421
Tel: +961 5 454 888
Fax: +961 5 454 844
E-Mail: iraq@sabaip.com

Jordan

56 Prince Shaker Bin Zaid Street
Al Shemissani
Amman, Jordan
P.O. Box 840553, Amman 11184
Tel: +962 6 464 2145
Fax: +962 6 464 2159
E-Mail: jordan@sabaip.com

Kuwait

Al Hajri Building
Al-Shuhadaa Street
Kuwait, Kuwait
P.O. Box 1245, 13013 Safat
Tel: +965 2 242 3428
Fax: +965 2 240 2243
E-Mail: kuwait@sabaip.com

Lebanon

Saba House,
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
P.O. Box 11-9420
Tel: +961 5 45 48 40
Fax: +961 5 45 48 42
E-Mail: lebanon@sabaip.com

Libya

Saba House,
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
P.O. Box 11-9421
Tel: +961 5 454 888
Fax: +961 5 454 844
E-Mail: libya@sabaip.com

Morocco

185 Boulevard Zerkouni
Residence Zerkouni
Casablanca 20330
Casablanca, Morocco
P.O. Box 13 921
Casablanca 20032
Tel: +212 522 251 530
Fax: +212 522 251 603
E-Mail: morocco@sabaip.com

Oman

Muscat International Centre
Beit Al Falaj Street
Muscat, Oman
P.O. Box 2027 Ruwi
Postal Code 112, Sultanate of Oman
Tel: +968 248 111 26
Fax: +968 248 111 28
E-Mail: oman@sabaip.com

Qatar

Gridco Building
C Ring Road
Doha, Qatar
P.O. Box 14035
Tel: +974 44 42 3992
Fax: +974 44 32 4106
E-Mail: qatar@sabaip.com

Saudi Arabia

Al Hadaf Marks Services LLC
(In Cooperation with Saba & Co. IP)
Al-Oula Building, King Fahd Road
Riyadh, Saudi Arabia
P.O. Box 61145
Riyadh 11565
Tel: +966 11 2079596
Fax: +966 11 2079598
E-Mail: saudi@sabaip.com

South Sudan

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
P.O. Box 11-9421
Tel: +961 5 454 888
Fax: +961 5 454 844
E-Mail: southsudan@sabaip.com

Sudan

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
P.O. Box 11-9421
Tel: +961 5 454 888
Fax: +961 5 454 844
E-Mail: sudan@sabaip.com

Syria

Adib Khair Building
Fardos Street
Damascus, Syria
P.O. Box 460
Tel: +963 11 223 6628
Fax: +963 11 222 6280
E-Mail: syria@sabaip.com

Tunisia

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
P.O. Box 11-9421
Tel: +961 5 454 888
Fax: +961 5 454 844
E-Mail: tunisia@sabaip.com

United Arab Emirates

Al Rostamani Building,
Al Ettihad Street, Deira
Dubai, UAE
P.O. Box 42259
Tel: +971 4 2959 650
Fax: +971 4 2959 651
E-Mail: uae@sabaip.com

West Bank

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
P.O. Box 11-9421
Tel: +961 5 454 888
Fax: +961 5 454 844
E-Mail: westbank@sabaip.com

Yemen

Hadda Towers, Building #7
Hadda Street
Sana'a, Yemen
P.O. Box 1493
Tel: +967 1 420 595
Fax: +967 1 420 596
E-Mail: yemen@sabaip.com