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BULLETIN

October 2022



MENA

Enforcement Measures in an
Emerging Region

Pointers on Patent Term
Extension

EGYPT

Destination North Africa:
Insights on IP Protection in
a Country Full of Possibilities

**THE BIGGER YOU GROW,
THE STRONGER WE GET**



90⁺
YEARS

50⁺
JURISDICTIONS

1
FIRM

COUNSELING | PROSECUTION | ENFORCEMENT

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MENA | ENFORCEMENT MEASURES IN AN EMERGING REGION



Brand owners have become increasingly aware of the importance of extending their trademark portfolios to the rapidly developing Middle East and North Africa (MENA) market. A combined, relatively young population of half a billion, growing at double digit rates, plays a significant role in making the region one of the fastest-growing markets in the world with a five-year compound annual growth rate outlook of 9 to 30 percent depending on the field or sector.

Given that there is no unitary registration system in place for the entire MENA, and the fact that each country has its own laws, legal system, jurisprudence, and practices, it is not possible to provide a unified opinion regarding the enforceability of a trademark across all the countries and jurisdictions of the region. Nevertheless, the below article addresses the main considerations for any successful enforcement strategy in the MENA region.

As most countries in the MENA apply the civil law system, common law rights are not always recognized or well defined. As such, having a trademark registration on the registry is an essential condition to facilitate the enforcement of rights especially when taking administrative or criminal actions. Still, even with no registered trademark, it might be possible to pursue civil actions based on unfair competition claims, although obtaining a favorable outcome proves to be a more cumbersome task. Moreover, in most of the countries and jurisdictions of the MENA region, a trademark that is not registered can be protected if the trademark is proven to be famous. Another important point worth noting is that having a valid trademark registration would no doubt be vital for recording a trademark before the Customs authorities (where applicable) or taking the required measures with the Customs to prevent entry of a shipment of suspected counterfeit products.

Brand owners should also be aware that infringers could always attempt to register a trademark in bad faith to benefit from its fame and recognition by the consumers.

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Such infringing registrations negatively affects the brand owner's ability to act against infringing products and would also impact their ability to import and trade their genuine products. Given that knowledge, we advise owners to file their trademark in all the relevant classes, set up or subscribe in efficient watch services to monitor publications, and to take the proper action against infringers.

We have seen many cases in the MENA region in which an infringer would file for a trademark, similar or identical to a famous trademark, in different classes. In other terms, the infringing applications would be filed in classes that are not related

to the authentic mark to benefit from the good faith it has amassed.

As the MENA region begins to attract the attention of a growing number of industries, the importance of securing legally valid IP rights and the ability of adequately enforcing those rights necessitate the identification of local representatives with both the capabilities and abilities to understand not only the legal aspects of these rights, but also their merits and validity to withstand cancellation and/or possible acts of infringement. This will also necessitate a review of the budgets relating to IP for the MENA region.

MENA | POINTERS ON PATENT TERM EXTENSION



Patent Term Extension (PTE), also known as Supplemental Patent Certificate (SPC) in some countries, is a mechanism by which patent owners may request an extension on the life of a patent. In most countries where such a practice is applicable, PTE or SPC is generally and primarily used by pharmaceutical and biotechnology companies, but depending on the provisions of the laws, other industries may also benefit from these extensions.

Patents generally provide for a protection period of twenty years, calculated from the first claimed priority, the national or international (PCT) filing date. The base date varies depending on the patent filing route chosen as well as the national laws and regulations. With only a few exceptions, twenty years is the expected and anticipated norm.

As most countries apply the first-to-file principle on rights to an invention, companies and individuals working in highly competitive industries find it necessary to secure the earliest filing date possible by doing a first patent filing as soon as an idea is elaborated enough to be considered a commercially viable invention, and even sometimes earlier.

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This means that a patent application may undergo prosecution and examination and possibly be granted and issued long before the product or process of the invention has been fully developed and ready for commercialization. It may then be ten to twelve years from that first filing date before the invention is ready to be used commercially, thus effectively giving the patent owner only eight years of exclusive rights.

The delays in taking an invention to market may not be due to the owner. These may result from regulatory delays. In such cases, several patent systems have accounted for this unintentional delay by allowing the patent owner to request an extension of time on the expiration term of a patent, for at least the period of the delay incurred by the regulatory authority.

In certain patent systems, the delay in granting a patent because of delays in the overall prosecution by the patent office enables the patent owner to request an extension as well. This type of extension is calculated from either the filing date or start of examination date, and again for at least the period of the delay incurred by the patent authority. Most systems that deliver such a PTE place a cap on the extension term, for example, no more than two and a half years.

This brings us to the existing systems in the countries of the Middle East and North Africa (MENA) region. The countries where a patent owner is eligible to request a patent term extension pursuant to the provision of the laws are Bahrain, Morocco, and Oman.

Bahrain and Oman's patent laws provision for the same conditions for requesting a PTE. The implementing regulations relating to these provisions are unclear, however. According to the latest issued regulations in Bahrain, these are silent on the guidelines or procedures enabling a patent owner to request and obtain a PTE.

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In further provisions of the law in Bahrain and Oman, an adjustment of the patent term shall be available if the marketing approval process related to the first commercial use of the product is delayed due to actions not attributable to the patent owner. Here again, the Bahraini law is silent on what is considered a delay, whereas the Omani law defines the delay as being more than twenty-four months from the date of application of marketing approval.

In Morocco, a patent owner may request a PTE in the latter case only and the same is only applicable to pharmaceutical products. The duration is equal to the number of days between the expiration date of the deadline for granting a marketing authorization and the effective date of its deliverance. The law further specifies that a patent owner must file a PTE request within three months from receiving a marketing authorization. No such deadline is recited in the Bahraini and Omani laws. In the case of Morocco, the law stipulates that the PTE cannot extend beyond two and a half years.

In the absence of specific regulations and/or guidelines in the provisions relating to PTE in

the countries, there does not appear to be any restrictions on the type of patents that qualify for extension. For pharmaceutical patents, a PTE may be requested for small molecules, biologics, second medical use, formulations, and others. The number of PTE requests and grants are relatively small and possibly not adequately taken advantage of in the region. As a result, there is little experience to challenge the boundaries and exceptions that may be applicable.

With the steady growth in foreign patent filings in the MENA region as a whole and the four countries presented in this feature article, it is critical for patent applicants and owners to better understand their options to develop their strategy. Budgets may limit the ability of pursuing a very broad filing strategy. It becomes necessary then to evaluate the pros and cons of patenting in specific markets and to assess, amongst other things, the additional benefits from obtaining a patent in specific countries. Choosing the right local IP associate can make the difference in securing a successful and useful patent portfolio in the MENA region.

PATENTED



EGYPT | DESTINATION NORTH AFRICA: INSIGHTS ON IP PROTECTION IN A COUNTRY FULL OF POSSIBILITIES



EGYPT

With a transcontinental location in Africa and Asia, and a considerable proximity to Europe, Egypt occupies an unrivaled and an increasingly significant regional role in the Middle East and North Africa (MENA). Egypt holds the record for being the most populous country in the region with over 107 million inhabitants. More than half of Egypt's residents are in urban areas, with most spread across the densely populated centers of Cairo, Alexandria, and other major cities across the fertile Nile.

Egypt boasts one of the largest and most diversified economies in the MENA, and its economy is expected to continue growing at an accelerated pace in the coming years. Local industries include textile production, food processing, tourism, chemicals, pharmaceuticals, hydrocarbons, construction, and light manufactures. Egyptian exports include crude oil and petroleum products, cotton, textiles, metal products, and chemicals. On the other hand, imports include machinery, foodstuffs, chemicals, and fuels.

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The annual GDP growth averaged 3.8 percent over the past year and the GDP is \$1.22 trillion, while the GDP per capita is \$12,000. Furthermore, the GDP composition by sector of origin is 11.7 percent for agriculture, 34.3 percent for industry, and 54 percent for services.

Egypt maintains a relatively comprehensive regulatory and legislative system for the protection of trademarks, patents, designs, and copyright. In addition, Egypt is a party to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Berne Convention, Madrid Agreement (Source), Nairobi Treaty, Paris Convention, Phonograms Convention, Trademark Law Treaty, Hague Agreement, Madrid Agreement (Marks), Madrid Protocol, Patent Cooperation Treaty (PCT), Nice Agreement, and Strasbourg Agreement.

In recent years, the authorities concerned have been increasingly more involved in the enforcement of intellectual property rights through the issuing of new statutes for combating infringing and counterfeit

products and through the establishment of the Economical Court, a specialized court that primarily handles all IP matters. Furthermore, to combat the illicit importation of goods into the country, Egyptian authorities decreed new set regulations that entered into force in March 2016, which stipulate that certain imported goods will not legally enter the Egyptian market unless the merchandise is authorized by the General Organization for Export and Import Control (GOEIC). To obtain authorization, importers are required to record the name of the manufacturer, as well as the corresponding trademark registration of the imported products at the GOEIC. It goes without saying that this comes as a necessary step to ensure that the imported goods are not counterfeits.

On the trademarks front, Egypt follows the 11th edition of the Nice classification and a multi-class application may include several classes. Trademark examination is performed on formal, absolute, and relative grounds and oppositions may be filed within 60 days from publication date.

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The protection term for a trademark is 10 years minus one day from filing date and is renewable for like periods. As for use, trademarks are vulnerable to a cancellation action by any interested party if there has been no effective use of the mark for a period of five consecutive years preceding the date of filing for cancellation.

As for patents, the Egyptian Patent Office has been operating as an International Search Authority (ISA) and an International Preliminary Examining Authority (IPEA) since April 2013. With the increase in number of patent offices in the Arabic-speaking countries acting as receiving offices, the Egyptian Patent Office is often selected for search and examination. There are two main reasons for this: 1) applications may be filed in Arabic only; and 2) the related fees are much more accessible to the local applicants.

Foreign patent applications may be filed claiming 12-month Convention priority or entered as national stage via PCT within 30 months from the earliest claimed priority. The Egyptian Patent Office does not allow for restoration of rights under any circumstance in case of a missed deadline - not even under PCT Rule 49.6. Once allowed, the application is published upon grant in the Official Gazette and oppositions may be filed within 60 days from the publication date.

In line with expected PCT Rules, patents are protected for a period of 20 years from the international filing date. Annuities are due annually on the anniversary of the international filing date and payable as of nationalization of the application in Egypt. A one-year grace period is observed for late payment along with a surcharge.

In short, the protection of IP assets in Egypt is a challenging and labor-intensive process that requires special consideration and handling. Rights holders should seek sound advice before they decide on the best route to arrive at a well-established protection strategy.

EGYPT

THE SABA NETWORK

Head Office

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
T. +961 5 454 888
P.O. Box 11-9421
headoffice@sabaip.com

Algeria

Cabinet Boukrami
(In cooperation with Saba & Co. IP)
Centre Commercial et d'Affaires EL Qods
10th floor, BU 10-04 B, Cheraga 16002
Algiers, Algeria
T. +213 21 34 11 61
P.O. Box 86 Centre Commercial et d'Affaires
EL Qods, Cheraga 16002
info@boukrami.com

Bahrain

Bahrain Tower, Al-Khalifa Road
Manama, Bahrain
T. +973 17 210 301
P.O. Box 21013
bahrain@sabaip.com

Cyprus

Mitsis Building #2
14, Makarios Avenue
1065 Nicosia, Cyprus
T. +357 22 755 434
P.O. Box 21143
1502 Nicosia
cyprus@sabaip.com

Djibouti

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
T. +961 5 454 888
P.O. Box 11-9421
djibouti@sabaip.com

Egypt

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

Ethiopia

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
T. +961 5 454 888
P.O. Box 11-9421
ethiopia@sabaip.com

Gaza

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
T. +961 5 454 888
P.O. Box 11-9421
gaza@sabaip.com

Iraq

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
T. +961 5 454 888
P.O. Box 11-9421
iraq@sabaip.com

Jordan

56 Prince Shaker Bin Zaid Street
Al Shmeisani
Amman, Jordan
T. +962 6 464 2145
P.O. Box 840553, Amman 11184
jordan@sabaip.com

Kuwait

Jassim Ahmed Alfahed
(In cooperation with Saba & Co. IP)
Al Hajri Building,
Al-Shuhadaa Street Kuwait, Kuwait
T. +965 2 242 3428
P.O. Box 1245, 13013 Safat
kuwait@sabaip.com

Lebanon

Saba House,
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
T. +961 5 454 840
P.O. Box 11-9420
lebanon@sabaip.com

Libya

Saba House,
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
T. +961 5 454 888
P.O. Box 11-9421
libya@sabaip.com

Morocco

185 Boulevard Zerkouni
Residence Zerkouni
Casablanca 20330
Casablanca, Morocco
T. +212 522 251 530
P.O. Box 13 921
Casablanca 20032
morocco@sabaip.com

Oman

Muscat International Centre
Beit Al Falaj Street
Muscat, Oman
T. +968 248 111 26
P.O. Box 2027 Ruwi
Postal Code 112, Sultanate of Oman
oman@sabaip.com

Qatar

Unit 1, 14th Floor
Shoumoukh Tower A, Building 58
Street No. 231, Zone 23 Bin Mahmoud,
Doha, Qatar
T. +974 4442 3992
P.O. Box 14035
qatar@sabaip.com

Saudi Arabia

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
T. +961 5 454 888
P.O. Box 11-9421
saudi@sabaip.com

Sudan

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
T. +961 5 454 888
P.O. Box 11-9421
sudan@sabaip.com

Tunisia

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
T. +961 5 454 888
P.O. Box 11-9421
tunisia@sabaip.com

United Arab Emirates

Tamani Arts Tower - 18th Floor
Al Asayel Street, Business Bay
Dubai, UAE
T. +971 4 553 9911
P.O. Box 42259
uae@sabaip.com

West Bank

Saba House
Saïd Freiha Street, Hazmieh
Beirut, Lebanon
T. +961 5 454 888
P.O. Box 11-9421
westbank@sabaip.com

Yemen

Hadda Towers, Building #7
Hadda Street
Sana'a, Yemen
T. +967 1 420 595
P.O. Box 1493
yemen@sabaip.com