

United Arab Emirates

Contributing firm
United Trademark & Patent Services



Author
Sarmad Hasan Manto

Legal framework

The United Arab Emirates (UAE) is a union of seven emirates: Abu Dhabi, Ajman, Dubai, Fujerah, Ras Ul Khaimah, Sharjah and Um Ul Quain.

IP-related matters are governed by the federal laws, which are enforceable in all seven emirates. Trademark prosecution and infringement matters are governed by the Trademark Law (37/1992), which was subsequently amended by Law 8/2002.

The UAE is also a signatory to the following treaties and conventions:

- the Berne Convention for the Protection of Literary and Artistic Works;
- the Paris Convention for the Protection of Industrial Property;
- the Patent Cooperation Treaty;
- the Rome Convention;
- the Convention establishing the World Intellectual Property Organization (WIPO);

- the WIPO Copyright Treaty; and
- the WIPO Performance and Phonograms Treaty.

Border measures

In the UAE it is possible to record trademarks with Dubai & Sharjah Customs. Recording trademarks with Customs means that they are placed on a watch list; Customs then notifies the rights holder or its representative of any goods suspected of being counterfeit that carry the recorded trademark.

Once a shipment containing counterfeit goods has been identified, a complaint can be filed with Customs' IP Rights Department in accordance with the procedures adopted by the relevant emirate. The container number(s) and expected date of arrival should be included with the complaint, along with evidence of a valid trademark registration in the UAE.

Upon receiving a complaint, Customs immediately puts the container(s) on hold and provisionally seizes the goods. In order to effect this seizure, Customs may require

the complainant to provide a security deposit or bond which is later refunded/released once the seized goods are proved to be counterfeit. After the seizure has taken place, the customs officials prepare a report and send samples of the suspected counterfeit goods along with the relevant authentic products to the forensic laboratory for examination. If the laboratory report establishes that the seized goods are counterfeit, Customs is vested with the authority to destroy them. However, Customs does not have jurisdiction to penalize the infringer; the rights holder must file a criminal complaint with the local police or public prosecutor.

So far, the Trademark Law does not authorize the seizure of goods in transit.

Criminal prosecution

A criminal action in the UAE can be filed directly with the local police or the public prosecutor of the emirate where the counterfeit goods are located.

The relevant articles of the Trademark Law are reproduced below:

Article 37

Shall be sentenced to imprisonment and/or fine of at least Dh5,000:

1. Any person who counterfeits a trademark registered according to the Law or imitates the same in a way misleading the public and any person who uses with bad faith a forged or imitated trademark.
2. Any person who places, with bad faith, on his products a registered trademark owned by a third party, or uses such trademark without authorization.
3. Any person who deliberately sells, offers for sale or negotiation or obtains for sale products bearing a counterfeited, imitated or illegally placed trademark. The same applies to any person who deliberately provides or offers the provision of services under a forged, imitated or illegally placed service mark.

Article 38

Shall be punished by imprisonment for a period not exceeding one year and/or a fine of no less than Dh5,000 and no more than Dh10,000:

1. Any person who uses a trademark which can not be registered as provided for in Clauses 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13 and 14 of Article (3) of the Law.
2. Any person who illegally marks his trademark or commercial papers leading to believe that it has been registered or that it distinguishes products and goods other than the ones stated in the Register.

Article 39

Any person who commits for the second time one of the offences mentioned in Articles 37 and 38 of this law shall be punished with the same punishment in addition to the closure of his commercial store or establishment for a period of not less than 15 days and not exceeding six months together with the publication of the judgment on the expense of the offender in accordance with the procedures mentioned in the Implementing Regulations.

Preliminary measures

A criminal complaint can be filed with the local police or the public prosecutor. Filing a complaint with the police will result in a raid and the confiscation of any suspected counterfeits. Before conducting the raid, the police apply for a warrant from the public prosecutor. Once the raid is conducted and the counterfeit goods are seized, the police send samples of both original goods and the

seized counterfeits to the forensic laboratory, which then renders its report. Based on this report, the police submit a charge sheet before the public prosecutor's office which undertakes the necessary investigations and records statements from both the complainant and the accused. If the seized goods are found to be counterfeit, the matter is transferred to the criminal court.

If a criminal complaint is filed directly with the public prosecutor's office, the public prosecutor orders the local police to investigate the matter and submit a report, after which confiscation orders are rendered and the case is referred to the criminal court.

Remedies

The following remedies may be sought in a criminal action:

- raids on the premises where counterfeit goods are stored;
- seizure of goods;
- destruction of counterfeit goods; and/or
- penalties on the infringer.

Civil enforcement

There are three key types of civil action available to rights holders:

- An administrative complaint can be lodged before the IP Rights Department;
- A lawsuit can be filed seeking the attachment and destruction of the counterfeit products; and
- A civil action can be filed to claim costs and damages.

Civil litigation is commenced before the court of first instance in the emirate in which the counterfeit products are located. The relevant articles of the Trademark Law concerning civil actions are reproduced below for reference:

Article 40

Any aggrieved person who has suffered harm as a result of any of the acts mentioned in Articles 37 and 38 of this Law may initiate a lawsuit before the concerned civil court against the accused to seek compensation equivalent to the harm suffered.

Article 41

The owner of a trademark may at any time, even before commencement of a civil or penal action, obtain upon filing a petition accompanied by the certificate of registration of such mark, an order from the competent court for taking the necessary precautionary measures, in particular the following:

1. To compile a report enumerating and describing in detail the machines and

tools being used or having been used in committing any of the offences stated in the Law as well as the local or imported goods, the addresses of shops, envelopes, papers or other things on which the trademark or the subject of the offence may have been placed.

2. To issue garnishment on the items stated in the above Clause after the Plaintiff provides a deposit estimated by the Court to compensate the garnishee, if required.

The court may assign one or more experts to assist in the execution of the precautionary measures. Owners of renowned trademarks shall be exempted from the submission of a trademark certificate that evidences the registration of the mark.

Article 42

The party whose goods were seized is entitled to file a lawsuit seeking compensation from the party on whose complaint the goods were seized, within 90 days of the deadline mentioned in the final paragraph of Article 41 of this Law, if no court action was filed against the party whose goods were seized or from the date of issuance of the final verdict in the lawsuit filed against ... [that party]. In both cases, the security deposit shall not be refunded to the party on whose motion the goods were seized except after the issuance of a final judgment in the lawsuit or after the elapse of the prescribed deadline without filing the lawsuit.

Article 43

The competent court may order for the confiscation of the goods attached or to be attached later on and the deduction of its price from the fines or compensation or disposition thereof in any other way deemed proper by the court. The court may also order to destroy the illegally placed trademarks or, if necessary, to destroy the goods, envelopes, packaging, tools and any other objects bearing such trademarks or unlawful data as well as the machines and tools used in counterfeiting. The court may also order the latter even in cases of acquittal. The court may further order that the judgment be published in the Official Gazette or in an Arabic daily newspaper at the cost of the judgment debtor.

Preliminary measures

An administrative action can be filed with the department concerned in the emirate

where the counterfeit goods are located. These departments are vested with judicial authority, and such actions can be an efficient and cost-effective anti-counterfeiting strategy. The administrative departments usually have special investigation cells which undertake investigations and seizures of counterfeit goods. A complaint must be filed by the rights holder or its attorney along with:

- a copy of a valid UAE trademark registration;
- samples of both original and counterfeit goods;
- a list of differences between the original and the counterfeit goods;
- purchase receipts for the counterfeit goods;
- a map showing the location of the shop/warehouse where the suspected counterfeit goods are stored; and
- a power of attorney, duly legalized by the UAE consulate.

After reviewing the contents of the complaint and evidence, a team of investigators is formed and raids are conducted on the infringing outlets/warehouses. Once it is established that the seized products are counterfeit, the administrative authorities are vested with the power to destroy the counterfeit goods and impose a minimum fine of Dh5,000.

If the offence is repeated for a second time, the administrative authorities can impose a similar fine and also close the commercial establishment for at least 15 days, although this may be extended by up to six months.

Subsequently, the rights holder may pursue civil litigation to claim costs and damages suffered due to the infringement.

In order to initiate an administrative action, the complainant must possess a valid UAE trademark registration covering the goods on which the counterfeited trademark is used.

Alternatively, a civil action can be initiated before the court of first instance of the emirate where the counterfeit products were found. A civil lawsuit can be filed on the basis of a local registration as well as on unregistered rights, provided that the mark's international fame extends to the UAE.

In order to initiate a successful civil action before UAE courts, the following information is required:

- a power of attorney from the rights holder, duly legalized by the UAE consulate;
- a copy of a valid UAE trademark

registration covering the relevant products or copies of international registrations, duly legalized by the UAE consulate, along with evidence of the mark's worldwide fame;

- samples of original as well as counterfeit goods;
- purchase receipts for the counterfeit goods;
- the infringer's identity and the location of the counterfeit goods;
- evidence of the mark's use in the UAE, if available;
- copies of promotional material concerning the trademark, if available;
- a copy of a seizure order or court judgment, if damages and costs are being claimed;
- evidence establishing actual loss sustained by the trademark owner, if damages are claimed; and
- a security bond covering the invoice value of the goods to be seized (for attachment orders only).

Remedies

The following remedies are available by way of civil action:

- a precautionary attachment;
- an interim injunction;
- a perpetual injunction and attachment with a declaration that the goods are counterfeit;
- the appointment of an expert to give an opinion; and/or
- costs and damages.

Anti-counterfeiting online

In early 2006 the UAE federal government passed a new cybercrime law which is enforceable in all seven emirates. The law sets out punishments for cybercrimes, which include fines and prison terms.

Preventive measures/strategies

Use of local counsel

As there are no specialized IP courts in the UAE, it is essential to obtain assistance from a local attorney who specializes in IP laws. This will help to ensure that the rights holder takes into account various important factors, which might otherwise lead to its rights being diluted.

Controlling contractual relationships with third parties

The UAE has its own agency and distributorship laws, which clearly stipulate that only a UAE national or an entity that is wholly owned by a UAE national can act as a local agent. Further, it is mandatory to

register agency agreements in accordance with the law. Terminating an agency relationship is not possible, even if the contract is for a fixed term, unless there is a major breach of contract or the termination or non-renewal is by mutual consent.

In addition, the mandatory recordation of licence agreements and assignment of trademarks is stipulated in the law, in the absence of which the licence or assignment rights cannot be asserted against third parties. Hence, it is essential to seek assistance from a local attorney when entering into a contractual relationship with third parties.

Strategy

While specific strategies should be developed in accordance with the circumstances of the case, the following general principles, among others, should be borne in mind:

- A market surveillance programme should be developed to monitor the local market. This programme should keep a watch on retail and wholesale shops, exhibitions, the media, internet and trademark publications.
- Annual trademark searches should be conducted in the relevant classes to monitor the register.
- Cautionary notices should be published periodically in widely circulated English and Arabic-language newspapers to increase awareness among the general public and to demonstrate active vigilance of trademark rights.
- Annual training programmes for administrative authorities and Customs should be conducted to increase awareness of how to differentiate counterfeits from originals.
- Administrative actions should be initiated against infringers and oppositions should be filed against conflicting trademarks. In this respect, if there is a risk that the counterfeit goods will be lost due to delays in the administrative procedures, an attachment petition before the court of first instance should be filed to obtain interim seizure of the goods. Under UAE law, an attachment should be followed by a lawsuit before the court of first instance.
- Civil actions should be filed to claim costs and damages. [WTR](#)



Biographies

United Trademark & Patent Services

United Trademark & Patent Services

Suite 401-402, Al Hawaii Tower
Shaikh Zayed Road, PO Box 72430
Dubai, United Arab Emirates

Tel +971 4 3437 544

Fax +971 4 3437 546

Web www.utmps.com



Sarmad Hasan Manto

Legal consultant

sarmad@united-ip.ae

Sarmad Hasan Manto is a senior member of the Dubai branch of United Trademark & Patent Services. He graduated with an LLB from the University of Punjab, Pakistan and specializes in IP law, having undertaken advanced courses in copyright and related rights, and electronic commerce and intellectual property, among others. Mr Manto handles contentious and non-contentious matters in the Middle East, and his areas of particular experience include trademark and copyright prosecution, anti-counterfeiting, due diligence, dispute resolution, litigation and franchising.