

Trademark Transaction and Management

Type	Practical Guidance
Document type	Practice Note
Date	19 Jun 2023
Jurisdiction	United Arab Emirates
Copyright	LexisNexis

Document link: https://www.lexismiddleeast.com/pn/UnitedArabEmirates/Trademark_Transaction_and_Management



Table of contents

Overview	3
Definitions	3
Practical Guidance	3
What is a trademark?	3
Classification of goods and services	3
Marks that may not be registered	3
Oppositions by third parties	5
Registration and renewal	5
Ownership and cancellation for non-use	5
Registrable transactions	5
Enforcement of trademark rights	6
Related Content	6
Author	8
Notes	9

Overview

The following Practice Note is intended to provide an overview of the key aspects of the trademark laws and regulations of the United Arab Emirates (UAE). The topics covered mainly come from the principal trademark legislation in the UAE, namely Federal Decree-Law No. 36/2021 On Trademarks. It abrogates the earlier Federal Law No. 37/1992 Concerning Trademarks.

UAE is a federation of seven emirates (regions ruled by Shaikhs), namely Abu Dhabi (the capital), Ajman, Dubai, Fujairah, Ras Al Khaimah, Sharjah and Umm Al Quwain. There are currently no separate local trademark systems or laws in these respective regions. As such, this Practice Note relates to all these emirates as covered by Federal Decree-Law No. 36/2021. The UAE Federal Ministry of Economy is the authority responsible for the administration of Federal Decree-Law No. 36/2021.

Definitions

- *UAE*: United Arab Emirates.
- *Ministry of Economy*: UAE Federal Ministry of Economy.
- *Registrar*: Registrar of Trademarks at the Ministry of Economy in Abu Dhabi.
- *Nice Classification*:^[1 p.9] 11th edition of the Nice Classification of Goods and Services.

Practical Guidance

The purpose of this section is to provide a summary of the trademark laws and practice of the UAE. As an initial matter, it should be noted that the UAE is a civil law jurisdiction and prior court decisions are not considered binding precedents. The statutory citations below relate to Federal Decree-Law No. 36/2021, Cabinet Decision No. 57/2022 On Executive Regulations of the Federal Decree-Law No. 36/2021 on Trademarks and Federal Law No. 19/2016 On Commercial Fraud.

What is a trademark?

A trademark is anything which takes a distinctive form. Article 2 of Federal Decree-Law No. 36/2021 provides the following indicative list of the forms that may qualify as being a trademark:

“Names, words, signatures, letters, symbols, numbers, addresses, seals, drawings, pictures, engravings, packaging/s, graphic elements, shapes, colors, color combinations, sign or group of signs, three-dimensional marks including signs and holograms, sound, smell”.

A trademark's essential element is therefore to have an inherent “distinctive form”. Applicants are not required to prove use in order to obtain a trademark registration in this jurisdiction. An application can be filed on intent-to-use basis.

Classification of goods and services

On 8 December 2021, the UAE issued Federal Decree No. 156/2021 On the Accession of the State to Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks (“**The Nice Classification**”). This came into effect on the date of issue and follows 11th edition of the Nice Classification .

Federal Decree-Law No. 36/2021 now provides for multiclass applications though the concerned Ministry of Economy and is yet to put it into practice. Therefore, as on date, multiple-class applications are not being accepted. The applicant would still need to file a separate application for each class.

There are certain categories of products and services that are not registrable, namely:

- alcoholic drinks in classes 32 and 33;
- pork meat in class 29;
- Christmas decorations in class 28;
- night clubs and bar services in class 43;
- gambling in class 41; and
- escort services in class 45.

These products and services essentially contravene the teachings of Islam which is the official religion of the UAE.

Marks that may not be registered

Trademarks that may not be registered in the UAE are primarily mentioned under articles 3, 4 and 10 of Federal Decree-Law No. 36/2021. There are numerous grounds for refusal of trademarks mentioned in these articles, especially the detailed list provided under article 3 of Federal Decree-Law No. 36/2021.

Strict prohibition

Article 3 of Federal Decree-Law No. 36/2021 includes those marks against which there is a strict prohibition, such as:

1. Mark/s lacking in distinguishing character or those made of data being the only name given by tradition to familiar goods, services or ordinary drawing of goods or services.
2. Drawing or expressions or signs that violate public morals or public order.
3. The insignia of the UAE government, public emblems, military and honour emblems, flags, national and foreign decorations, coins, paper currencies or bank notes, and other symbols pertaining to the UAE, other countries, or Arab or international organisations including any imitations thereof.
4. The logos and symbols of the Red Crescent or the Red Cross including any imitations thereof.
5. Marks which are identical or similar to symbols having purely religious character.
6. Geographical names if such names lead to any confusion as regards source or origins of the goods or services.
7. The name, title, photograph, logo, or frame of a third party unless their heirs agree to its use beforehand.
8. Particulars pertaining to honorary or academic degrees to which the applicant does not prove that they are entitled to.
9. Marks that may mislead the public into believing false source or origins of the goods or services and marks that contain trade name owned by third parties.
10. Marks owned by natural or corporate entities dealing with whom is prohibited.
11. A mark that is identical or similar to a mark previously filed or registered by a third party for the same goods or services or related goods or services if the use of the mark to be registered creates an impression of linking it with the goods or services of the registered trademark owner or leads to damage of his interests.
12. Marks for which registration, if granted, would reduce the value of the goods or services distinguished by a previously registered mark.
13. Marks that are a copy or imitations or translations, localisation, or any audio translation of a well-known mark. These can only be registered with the consent or approval of its owner.
14. Marks that are copies of well-known marks, their translations, localisation, or audio translations and show a connection of the goods or services during its use with it even if such goods or services are not identical or similar to the ones already registered but any use thereof indicates a connection with the well-known mark. Also, the registration of such an imitation mark would harm the interest of the owner of a well-known mark.
15. Marks including the words “concession”, “concessionaire”, “registered”, “registered drawing”, “copyright”, and similar phrases.
16. Any three-dimensional mark consisting of a shape resulting from the nature of the goods itself.

Common refusal grounds

As per the preceding paragraph, article 3(11) of Federal Decree-Law No. 36/2021 clearly prohibits registration of trademarks that are identical or similar to marks previously filed or registered by a third party in the UAE. The objective behind such a prohibition is to avoid any likelihood of confusion and/or deception arising amongst trade and public as to the source or origin of the goods or services during the course of trade.

Therefore, the Registrar of Trademarks at the Ministry of Economy conducts a search for conflicting prior marks as part of the official examination of newly filed trademark applications. The rules for the comparison of marks are not specified in Federal Decree-Law No. 36/2021. However, the main factors that the Registrar considers in his decision are the visual and phonetic impressions created by the marks, with less emphasis on the conceptual similarities.

To establish a likelihood of confusion, as per article 3(11) of Federal Decree-Law No. 36/2021, the marks must also cover either identical products or services, or non-identical though related products or services, if use of the later mark would create a false connection between the respective parties or damage the interests of the prior owner. In practice, however, examination is conducted for marks in the same class of products and services and confusing similarity is established regardless of whether the respective products or services are similar.

There are also other specific provisions adopted to protect well-known marks which prohibit registration of:

1. Later marks that are considered imitations or translations of famous marks which create consumer confusion as to the source or origins of the products or services by creating a false impression of having a linkage with the well-known marks, as per article 3 of Federal Decree-Law No. 36/2021.
2. Trademarks that have attained international reputation exceeding the borders of the country from which it originates to other countries, as per article 4 of Federal Decree-Law No. 36/2021.

Lack of distinctiveness

As discussed above, Federal Decree-Law No. 36/2021 sets out an essential distinctive requirement for registration of trademarks. Refusal grounds on this basis are set out in article 3 of Federal Decree-Law No. 36/2021, as stated above.

It is indeed the practice of the Registrar to refuse registration of trademarks lacking inherent distinctiveness that are descriptive or generic of the applied for products and services. Also, trademarks that acquire distinctiveness (secondary meaning) through use are not registrable if these lack inherent distinctiveness.

Other refusal grounds

Article 3 of Federal Decree-Law No. 36/2021 includes other types of marks that may not be registered, namely the following:

- Geographical names which use may cause confusion as to the origin or source of the products or services. This provision is strictly applied in the UAE in relation to products and an applicant is required to submit proof that the products originate from the applicant's home country if the mark contains a geographical name which is different from the applicant's home country.
- Marks that may mislead the consumers or contain false information about the source or other characteristics of the products. For example, if a trademark image contains the year of establishment of the applicant, proof to that effect has to be shown to the Registrar.

Oppositions by third parties

The Ministry of Economy advertises any accepted trademark application in the Trademark Journal. Any interested party may submit an opposition/objection to the registration of the published mark with the Ministry of Economy within 30 days of the last publication date, in accordance with article 15(2) of Federal Decree-Law No. 36/2021.

There are no specific provisions in Federal Decree-Law No. 36/2021 that restrict the opposition grounds. The practice is that any requirement that the application for registration must fulfil to achieve acceptance (see above) or enlisted prohibitions as stated above may be raised as a ground of opposition.

Registration and renewal

Once a trademark is registered, the registration is effective from the date of the application date, according to article 21 of Federal Decree-Law No. 36/2021. The protection term is ten years from the filing date, renewable for like periods, and an application for renewal may be filed during the last year of protection, as per article 22 of Federal Decree-Law No. 36/2021.

The grace period for renewal is six months from the end of the relevant protection term following the payment of the prescribed fees as per article 11 of Cabinet Decision No. 57/2022.

Ownership and cancellation for non-use

According to article 18 of the Federal Decree-Law No. 36/2021 the ownership of a registered mark is conclusive if such ownership has not been challenged within five years from the date of its registration. Such ownership can only be challenged, and registration annulled if it is proven that there was bad faith on the part of the person who registered the mark.

According to article 24(2) of Federal Decree-Law No. 36/2021 the owner of a well-known trademark, which has extended its popularity beyond the boundaries of the State, may request the Ministry to remove any similar registered mark within five years of its registration and the Ministry would act on such a request only if it is proven that the person (who registered it) did act with mala fide intention in having such a mark registered.

Further, according to article 24(3) of Federal Decree-Law No. 36/2021, a trademark registration is vulnerable to cancellation or striking off from the Register by preparing and filing a request before the Ministry if the mark has not been used for five consecutive years.

Federal Decree-Law No. 36/2021 does expressly state that the five-year-term is calculated from the registration date which under UAE law is the same as the application date. However, there is no guidance provided under Federal Decree-Law No. 36/2021 on the level and form of use required to support a registration and negate any such cancellation action. If the owner of the mark can prove that the reason for non-use was due to a reason beyond his control such as any emergency situation, import restrictions and government policies, the registration may be maintained according to article 24(3) of Federal Decree-Law No. 36/2021.

Under the provisions of article 24(4) of Federal Decree-Law No. 36/2021, the Ministry may on its own or at the request of the concerned parties strike off the registered mark which is registered in violation of the provisions of the said law.

Registrable transactions

The registrable transactions mentioned in Federal Decree-Law No. 36/2021 include the following:

- Assignment referred to in articles 28, 29 and 30 of Federal Decree-Law No. 36/2021 read along with article 15 of Cabinet Decision No. 57/2022. An assignment of a mark can be recorded with the UAE Ministry of Economy, with or without goodwill or compensation, and must be supported by a written Assignment Deed signed by both parties and legalised and translated in arabic. Registered marks can only be assigned. Such transfer of ownership of registered trademark can be effected by inheritance, will, gift or any other legal form. An assignment must be made for the entire territory and for all the products or services covered by the registration.
- A registered trademark can also be mortgaged or attached with the commercial shop or the project of exploitation for which the mark is used.
- Licence referred to in articles 30, 31, 32, 33 and 34 of Cabinet Decision No. 57/2022. A licence of a mark can be recorded with the UAE Ministry of Economy and must be supported by a written Licence Agreement signed by both parties and legalised and translated in arabic.
- Registered marks can only be licensed. It is a must to record a licence to maintain the validity of the registration if it is used under licence and a licence is not effective against third parties until after it has been recorded.

- A licence of a registration can be sole and exclusive (one licensee only, with the owner excluded), exclusive (one licensee only and the owner), or non-exclusive (multiple licensees and the owner). The licence term may not exceed the period of protection of the trademark. It may contain provisions regarding the relevant territories and quality control, along with any obligations that may be imposed on the beneficiary to refrain from any actions that may result in abuse of the trademark.
- Any assignment of the license to third parties or grant of sub-licenses can only be permitted with the consent of the trademark owner.
- Other registrable transactions. It is possible to record changes of name, changes of address, mergers, attachments, and mortgages against registered marks. Applications must be supported by the relevant legalised certificates attesting to the transactions and changes.

Enforcement of trademark rights

A registered trademark is infringed when an unauthorised party uses it in bad faith in a way that deceives or misleads the public. Available actions for owners to enforce their trademark rights are as follows:

- **Civil action:** Article 47 of Federal Decree-Law No. 36/2021 offers preliminary relief for urgent matters through the judge of the Civil Court. An attachment order can be obtained where there is infringement via the court of urgent matters. Usually, such an order would entail a court bailiff making a detailed inventory of infringing items listed in the attachment petition. The court bailiff would then confiscate those items for destruction. The order is sought by way of petition and is ex-parte in nature.

Article 48 of Federal Decree-Law No. 36/2021 provides that within 20 days of such order, a petitioner can file a civil suit for claim of damages which are direct result of the infringement. Remedies include compensation for damages suffered due to the infringement, fines and imprisonment, seizure and destruction of the infringing products.

The penalty for forging a registered trademark is provided under the provisions of article 49 of Federal Decree-Law No. 36/2021 and include imprisonment of, not exceeding, one year and a fine between AED 100,000 and AED 1,000,000 or either of the two. Further, article 50 of Federal Decree-Law No. 36/2021 provides penalties for deliberately selling forged products and includes imprisonment of, not exceeding, one year and a fine between AED 50,000 and AED 200,000 or either of the two.

- **Criminal action:** Federal Law No. 19/2016 defines counterfeit commodities as, “commodities bearing, without authorisation, a trademark that is conformant or similar to the legally registered trademark”.

Article 2(a) of Federal Law No. 19/2016 defines commercial fraud as, “the import, export, re-export, manufacturing, sale, display or acquisition for the purpose of sale, storage, lease, marketing or trading, the fake, corrupt or counterfeit commodities”. Once counterfeit activity is ascertained, this action can be pursued via complaint with police or the public prosecutor followed by an inquiry. It can lead to confiscation and seizure of the offending goods.

The law provides for imprisonment not exceeding two years and a fine of AED 50,000, not exceeding, AED 200,000 or either of the two. Further, article 14 of Federal Law No. 19/2016 provides punishment for dealing in counterfeit products which specifically include human food, animal food, medical drugs or organic agricultural products which can lead to imprisonment not exceeding two years and fine of not less than AED 250,000 and not exceeding AED 1,000,000 or either of the two.

- **Administrative action:** It is possible to file an administrative complaint with the Department of Economic Development (DED) which is followed in Dubai, Abu Dhabi, Sharjah and with the Ministry of Economy which is followed in Ajman, Umm Al Quwain, Ras Al Khaimah and Fujairah. Remedies include fines and destruction of the infringing products.
- **Customs action:** Article 45 of Federal Decree-Law No. 36/2021 empowers customs to act and not release the goods for 20 days. The trademark owners can utilise this time period to ascertain if the goods seized by customs authorities are genuine or counterfeit. All seven emirates provide for registration of trademarks with their respective customs authorities. Customs are empowered to take inspection of goods and if counterfeit goods are identified, it can lead to fines and penalties along with seizures and destruction/recycling of counterfeit goods.

Related Content

Legislation

- Federal Decree-Law No. 36/2021 On Trademarks.
- Cabinet Decision No. 57/2022 On Executive Regulations of the Federal Decree- Law No. 36/2021 on Trademarks.
- Federal Law No. 19/2016 On Commercial Fraud.
- Federal Decree No. 156/2021 On the Accession of the State to Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of Registration of Marks.

Regulation

- [Nice Classification of Goods and Services](#)^[1 p.9].

Author



Rajiv Suri

Senior Associate, *Alsuwaidi & Company LLC (UAE)*

r.suri@alsuwaidi.ae

+971545831894

Areas of expertise

Intellectual Property; Corporate.

Education

B.Sc (Hons), LL.B, Delhi University.

Memberships

- Bar Council of Delhi.
- Authorised Legal Consultant by Legal Affairs Department, Government of Dubai, UAE.

Biography

Rajiv is one of the leading expert lawyers with over 28 years of experience specialising in the field of Intellectual Property laws, Commercial and Transactional laws including contracts. He qualified as a lawyer in 1994 after obtaining degree in law and since then has practiced as an Advocate/Legal Consultant.

His expertise lies at handling both contentious and non-contentious issues both in India and UAE. Rajiv advice clients on strategies involving a wide range of intellectual property matters and has been involved in managing corporate portfolios across various industries.

He has also dealt extensively on commercial and transactional matters involving drafting and vetting varied forms of commercial agreements/contracts, technical knowhow agreements, licensing issues including third party/vendor contracts, non-disclosure agreements, manufacturing of goods agreement, business development and service agreement, brand acquisition agreement, assignment deed/s, drafting and execution of Wills in UAE etc.

He has been an author/co-author of articles relating to intellectual property issues for some of the leading legal publications. He has been a speaker at webinars/round table/s on issues relating to intellectual property rights and non-muslim personal law in UAE.

His name appears in UK's whoswholegal.com (WWL) 2008 for UAE, as a ranked prosecution lawyer in Managing Intellectual Property (MIP) 2019, in the list of World's Leading Trademarks professionals by World Trademarks Review (WTR) for the years 2020, 2021, 2022 & 2023 (UAE) and in the list of IP experts compiled by AsiaIP for the years 2021 and 2022.

Rajiv is fluent in Hindi and English.

Notes

1. [^] [p.3] [p.6] <https://vmguidelines.dkpto.dk/media/146067/wipo%20eng%20klasseliste%2011-2021.pdf>