

**World  
Trademark  
Review**

# **Trademark Litigation 2017**

**A Global Guide**

**United Arab Emirates**  
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# United Arab Emirates

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## Legislative framework and causes of action

With the exception of the Dubai International Financial Centre free zone in Dubai, the legal framework in the United Arab Emirates is very much a civil law system, which affects the way in which trademark owners seek to enforce their rights against third parties and cases are pled and progress through the courts.

Careful consideration should be given to the nature of the dispute at hand before embarking on litigation for trademark cases. Perhaps due to the uncertainty, costs and timeframes involved in pursuing litigation for trademark disputes, in straightforward cases trademark owners frequently pursue alternative enforcement measures through administrative bodies, customs authorities or the police.

## Legislation

Statutes are the primary source of law. A number of federal laws protect trademark rights. The main laws are:

- Federal Law 37/1992 (as amended) – the Trademark Law;

- Federal Law 18/1993 – the Code of Commercial Practice;
- Federal Law 24/2006 – the Consumer Protection Law; and
- Federal Law 4/1979 regarding the Prevention of Fraud and Deceit in Commercial Dealings.

## GCC Trademark Law

The United Arab Emirates is a member of the Cooperation Council for the Arab States of the Gulf (GCC), which comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

The GCC has sought to implement a unified trademark law that will be applicable in all six GCC states. While the implementation of the law will not result in a central trademark office, it should harmonise the legislation governing trademark prosecution in all six GCC states.

At the time of writing, the United Arab Emirates has not yet implemented the GCC Trademark Law. However, the law has been published in the GCC *Official Gazette* and is due to be implemented in the United Arab Emirates in the near future.

### International treaties

The United Arab Emirates is party to the Paris Convention for the Protection of Industrial Property and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), both of which deal with trademarks.

### Causes of action

The UAE Trademark Law contains no express causes of action for what is usually referred to as 'trademark infringement' in other jurisdictions. Rather, Articles 37 and 38 set out criminal offences focused on counterfeiting and imitating trademarks. The wording of the offences can make it difficult to bring actions against anything other than direct counterfeit/imitation (eg, look-alike, get-up, trade dress, cases involving services or online infringement cases).

Civil causes of action under the Trademark Law are linked to the criminal offences set out in Articles 37 and 38, as detailed below.

#### Article 37 offences:

*Anyone who has counterfeited a trademark registered pursuant to the law or has imitated it in a manner that will lead to the deception of the public, whether in relation to goods and services that the original mark distinguishes, or those that are similar to them, and anyone who has used a counterfeited or imitated trademark with knowledge of that.*

*Anyone who has, in bad faith, put on his products a registered trademark owned by another or used that mark without a right.*

*Anyone who has sold, or offered for sale or circulation, or possessed with the intention of selling, products bearing a*

*counterfeited or imitated trademark or a mark placed on them without a right to do so and with knowledge of the fact, as well as anyone who has provided or offered to provide services under a counterfeited or imitated trademark or has used it without a right to do so and with knowledge of the fact.*

#### Article 38 offences:

*Anyone who uses a trademark that is not capable of registration according to [Article 3, which lists categories of signs that may not be registered as trademarks].*

*Anyone who, without a right to do so, puts on his mark or documents representations that lead to the belief that the mark is registered, or distinguishes products or goods other than what is mentioned in the register.*

### Criminal or civil case

The legal system is better suited towards litigants pursuing a criminal case against infringers – either on its own or with a civil claim in tandem.

Filing a criminal complaint means that the police will gather the evidence required and the case will be conducted by the public prosecutor on behalf of the state. However, filing a criminal case alone means that the trademark owner will not have control of the proceedings and will not be awarded any form of compensation. It is possible to file a civil case on the back of the criminal case – in which case, if the criminal case is successful, the civil case can be prosecuted on the basis of the successful criminal conviction. Conversely, if the criminal case is



**The court will not entertain equitable remedies (eg, an account of profits or moral damages) due to the theoretical nature of establishing the quantum of such an award. Nor will the court award damages on a royalty basis**

unsuccessful, then it follows that the civil case too will most likely be unsuccessful.

Filing a civil case alone means that the plaintiff must gather all of the evidence itself to show that one of the Article 37 or 38 offences has been committed (which can be costly and difficult without the benefit of a discovery process), and that it suffered loss as a result of the offences committed. Even if the plaintiff gathers sufficient evidence to bring a case, the court may well appoint an expert to gather its own evidence, which may end up contradicting the plaintiff's evidence.

### **Precautionary measures**

Before the start of the main proceedings, the Trademark Law provides for the possibility for trademark owners to obtain an attachment order on an *ex parte* basis from a judge of urgent matters. An attachment order does not prevent infringement; it results only in the seizure of the specific goods contained in the order (which usually lists the specific location and quantity of the goods). An attachment order can be a useful way for a litigant to gather evidence before filing a civil case.

A trademark registration certificate is a statutory prerequisite for obtaining such an order, unless the mark in question is famous. The party seeking the order also must pay an adequate financial security prior to the order being issued.

Once the order is issued, the main case must be commenced within eight days to maintain the attachment.

### **No passing off**

As the United Arab Emirates is a civil law system, the common law tort of passing off is not available. In practice, initiating civil or criminal trademark litigation on the basis of unregistered rights alone is possible in certain instances, but fraught with difficulties.

### **Unfair competition**

There is no single legislative cause of action for unfair competition in the United Arab Emirates. An unfair competition-type claim would need to be couched in terms of the relevant provisions of the Code of Commercial Practice, the Consumer Protection Law, the law on Prevention of Fraud and Deceit in Commercial

Dealings (and its Implementing Regulations), or Article 10*bis* of the Paris Convention.

### **Cancellation actions**

Article 20 (repeated) of the Trademark Law provides that the Trademark Office may hear and decide cancellation actions, but only on the grounds of unlawful registration. In practice, however, all cancellation actions are filed before the courts and are akin to full litigation proceedings.

### **Alternative dispute resolution**

Unless the parties have expressly agreed in writing that the dispute will be settled by way of arbitration (and the jurisdiction of the court is challenged at the first hearing), the courts will assume jurisdiction to hear the case and will not order any form of alternative dispute resolution (including arbitration or mediation).

### **Litigation venue and formats**

#### **Court system**

The United Arab Emirates operates a federal system comprising seven emirates: Abu Dhabi, Ajman, Dubai, Ras Al Khaimah, Sharjah, Fujairah and Umm Al-Quwain.

Abu Dhabi, Ajman, Fujairah, Sharjah and Umm Al-Quwain have been fully integrated into the federal court system, which operates courts of first instance, courts of appeal and the Federal Supreme Court in Abu Dhabi. Dubai maintains its own court system (first instance, appeals and cassation), as does Ras Al Khaimah (but with no court of cassation).

Litigation before the courts involves very little oral advocacy. Instead, written pleadings (in Arabic) are exchanged during each hearing. There are usually several rounds of pleadings before the court adjourns to issue its decision. Cases are heard by the bench; there are no jury trials. The calling of witnesses to provide oral evidence – particularly in civil cases – is possible, but very rare. Experts may be appointed by the court to provide an opinion on technical or complex matters.

#### **No binding precedent system**

The legal system is very much civil in nature and the courts have not adopted a binding precedent system. Each case is determined

on its own merits and facts. The submission of prior cases is, however, possible and can be persuasive.

As a general rule, relevant decisions from an ultimate UAE court (eg, the UAE Federal Supreme Court or Dubai Court of Cassation) will be the most persuasive. Litigants should also consider submitting copies of cases from other GCC member states (eg, a decision from the Board of Grievances in Saudi Arabia) or from Egypt (where many of the trademark laws are similar and from where many UAE judges originate). Decisions from abroad will be less persuasive, and will need to be translated by a UAE licensed translator prior to submission.

### Damages and remedies

#### Availability of injunctions

While Article 44 of TRIPS provides that “the judicial authorities shall have the authority to order a party to desist from an infringement” (which is obliquely referenced to in Article 17 of the UAE Trademark Law), the reality is that the courts do not grant injunctions. The closest concept available is an attachment order (mentioned above).

#### Penalties

Article 37 and 38 offences attract a punishment of imprisonment and/or a fine of not less than Dh5,000. In the case of repeat offenders, the same penalties apply, but the court may also order the closure of the business for anywhere between 15 days and six months (and publication of the judgment at the expense of the defendant).

#### What the court may order

Article 43 sets out what the court may order under the Trademark Law. Interestingly, Article 43 makes it clear that the following orders may be made “in a case of a judgment of innocence”.

**Confiscation:** The court may order the confiscation of objects that have been attached or that are yet to be attached. While the law is silent on the details, confiscation in this context is likely to mean permanent seizure (and presumably destruction) of the attached items.

**Destruction:** The court may order the destruction of “the unlawful marks” or the products and wrapping and packaging materials that bear the mark or bear unlawful representations, as well as machines and tools that were used specifically for the counterfeiting operation.

**Publication:** The court may also order the defendant to publish, at its own expense, the decision in the *Official Gazette* or in a local Arabic newspaper.

**Damages:** Article 40 of the Trademark Law allows for “compensation commensurate with the damage suffered”. In practice, a trademark owner (often with the help of a court-appointed expert) needs to quantify the actual loss suffered as a result of the infringement through documentary evidence.

The court will not entertain equitable remedies (eg, an account of profits or moral damages) due to the theoretical nature of establishing the quantum of such an award. Nor will the court award damages on a royalty basis (where the defendant would have otherwise paid a licence for the use of the trademark that it infringed).

**Costs:** The court determines the issue of litigation costs incurred with respect to bringing and defending a case. As a general rule in trademark cases, the unsuccessful party is ordered to pay litigation costs to the successful party. Such costs include court fees and any other costs reasonably required for conducting the litigation. As both parties usually incur translation costs, these are not recoverable. If the court appoints an expert, it may order both parties to share the expert’s fees.

**Advocacy fees:** Advocacy fees are high in the United Arab Emirates and are never awarded in full; the amount of the award is usually nominal. The amount is determined by the court at its sole discretion, with no right of appeal.

### Evidencing the case

Trademark cases before the courts are decided by judges alone; there are no jury trials in the United Arab Emirates. While the judge may

ask the advocate questions about the case during the hearing, in practice there is very little oral advocacy. Trademark litigation in the United Arab Emirates is conducted principally through the exchange of written memoranda at each hearing.

### No discovery

There is no discovery process in court proceedings in the United Arab Emirates; the parties are free to disclose only the documentation of information that helps their case (and nothing that does not). If a party refers to a document in its written memoranda (or in oral evidence), then the other party may request the court to order the

other party to make the document available. The document must then be made available, unless it can be shown that it is not in that party's possession or that there are practical reasons why the document cannot be made available.

### Documentary evidence

All documentation should be in Arabic. If a translation is required, a licensed UAE translator should produce it. Original, primary source documentation will hold much more weight than summaries or schedules (which may be rejected), especially when they are prepared by the party seeking to rely on them.



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David Harper is a partner in Cedar White Bradley's Dubai office, Khalid A Altamimi Advocates & Legal Consultants. He graduated with an LLB and BA from the University of Otago, New Zealand. Mr Harper has over eight years of trademark experience in the Middle East and North Africa. He frequently advises his clients on multi-jurisdictional objections, oppositions, cancellation actions, civil and criminal disputes before the courts, and a range of enforcement measures through administrative bodies. He joined Cedar White Bradley's Dubai office as a partner in 2015 and is currently the director of the IP consulting team.



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Khalid A Altamimi is the managing partner of Cedar White Bradley's Dubai office, Khalid A Altamimi Advocates & Legal Consultants. Mr Altamimi worked in the execution division of the Sharjah Court for several years before setting up his own practice in Abu Dhabi. His previous experience includes advising on a variety of commercial litigation matters in the United Arab Emirates, including contentious matters relating to IP rights. Mr Altamimi has completed a training programme with the Abu Dhabi Commercial Conciliation and Arbitration Centre and is pursuing approval to become an arbitrator of the Commercial Arbitration Centre of the Gulf Cooperation Council.



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### Trademark registration certificates

In trademark litigation, rights holders usually rely on trademark certificates (rather than a simple list of worldwide registrations). Ideally, certificates should be original, certified copies (with translations prepared by a licensed UAE translator if they are not in Arabic). If the trademark owner is relying on its reputation or well-known or famous rights, then certificates from the GCC countries and other Arab-speaking nations will usually be beneficial to the case. Producing a home registration can also be beneficial for this purpose.

Trade licences and company incorporation documents are often useful to establish first use or adoption of a trademark. If these types of document originate from outside the United Arab Emirates, they should be legalised at the UAE embassy and translated into Arabic by a licensed UAE translator prior to submission.

### Case law

While there is no binding precedent system, it is possible to submit copies of or to refer to previous decisions in support of the case, which may be of persuasive value only.

### Appointment of experts

As the courts have limited experience in handling complex trademark disputes, generally speaking, the court will appoint an expert to render an opinion on the facts or technical aspects of the matter at hand. While a few court-appointed experts have experience in trademark matters, it is possible

that a specialist with a background in an entirely unrelated discipline (eg, accounting) will be appointed.

A court-appointed expert has the ability to hold hearings, request further evidence or submissions from the parties, and conduct his or her own investigations. Once the expert is satisfied that he or she has sufficient information to render his or her opinion, he or she will submit it to the court. While the court will often take the expert's opinion into consideration when rendering its decision, the court is not bound to follow the expert's opinion. Both parties can also make submissions that support or challenge the expert's opinion by way of submitting memoranda at the appointed court hearings.

### Available defences

#### No statutory defences

The UAE Trademark Law contains no statutory defences for trademark infringement. Thus, defences such as prior use, honest concurrent use, acquiescence, estoppel, descriptive use and use of own name are not available under the law.

#### Registration as a defence

A valid trademark registration certificate that covers the defendant's use of its trademark for its goods or services does not provide the defendant with a statutory defence to the offences set out in Articles 37 and 38 of the Trademark Law.

However, provided that the trademark was lawfully registered, Article 17 of the Trademark Law provides the owner with

the exclusive right to use the mark. By implication, a registered mark cannot be found to infringe another mark (registered or otherwise), as long as the registered mark was registered in accordance with the provisions of the law.

It follows that a prior third party (holding a valid registration) would need to invalidate the other trademark registration in order to claim successfully that the defendant committed the offences set out in Articles 37 and 38 of the Trademark Law.

### Appeals process

Once the court of first instance has issued a decision, there are two further levels of appeal: court of appeal and Supreme Court/Court of Cassation.

#### Court of appeal

An appeal may be filed to the court of appeal within 30 days of the issuance of the final judgment from the court of first instance (or the issuance of an attachment order). Three judges from the appeal bench will hear the appeal on matters of both fact and law. In essence, the appellant can present its entire case again and introduce new evidence. However, it is not possible to seek further remedies than those sought before the court of first instance.

Usually, if the court of first instance dismissed the case on formality grounds that are later reversed by the court of appeal, the court of appeal will return the case to the court of first instance to issue a decision based on the merits of the case. If, however, the court of first instance issued a decision on the merits, then the court of appeal will reconsider the decision on the merits and issue its own decision.

#### Supreme Court/Court of Cassation

An appeal may be filed with the UAE Federal Supreme Court or the Dubai Court of Cassation (whichever has jurisdiction) within 30 days of the date of issuance of the decision of the court of appeals (increased to 60 days if the appellant is domiciled outside the United Arab Emirates). A panel of five judges hears the case and the judgment is delivered by the majority. The Supreme Court/Court of Cassation can (and does) dismiss cases on technical grounds (of which there are many, including a formal analysis of the power of attorney and rights of audience of the advocate). Unlike the court of appeal, the Supreme Court/Court of Cassation will hear only legal arguments (and not matters of fact), and it will consider the decision issued by the court of appeal only (and not that of the court of first instance). **WTR**



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