

Intellectual Property Newsletter

March 2015

Middle East and North Africa region

We are Clyde & Co ... in Saudi Arabia!

We are delighted to announce that, with effect from 1 March 2015, our office in the Kingdom of Saudi Arabia is operating as a fully integrated Clyde & Co office. Since 2009, we have been providing advice and assistance in the Kingdom through Abdulaziz A. Al-Bosaily Law Office in association with Clyde & Co.

The newly-formed Clyde & Co structure is a key step in the development of our Middle East regional offering as part of our long-term commitment to the region. To celebrate this development, this edition of our newsletter is a 'Saudi-special', with our article entitled IP: The Key to the Kingdom.

If you have questions relating to intellectual property issues in Saudi Arabia, then please speak with your usual contact in our regional IP team or contact ip@clydeco.com.

In other news this month, Clyde & Co has again been ranked as the top IP firm in the UAE in Managing Intellectual Property's World IP Survey. For the seventh year in a row (yes, that's every year from 2009 to 2015), we are the only firm in the UAE to have been ranked as top tier in each category covered by the survey – (i) patent prosecution, (ii) patent contentious, (iii) trade mark prosecution and (iv) trade mark / copyright contentious.

In this month's issue, we also cover:

IP: The key to the Kingdom

This month we report on considerations for intellectual property rights in Saudi Arabia

Click [here](#) for a link to the full article or click on the titles below to view the individual topics covered in the article.

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Market updates and insight from around the region

Click [here](#) to read all updates

For further information, please speak to your usual contact in the Clyde & Co IP team, or email us at ip@clydeco.com.

UAE Trade Mark Gazette

The latest edition of the UAE Trade Mark Gazette was published on 3 March 2015. This month's opposition deadline is 1 April 2015.

Click [here](#) for a link to the UAE Trade Mark Gazette and further information.

If you identify any marks that are of potential concern, or if you have any queries, then speak to your usual contact in the Clyde & Co IP team, or email us at ip@clydeco.com.

The timeframe for arranging the legalisation of a Power of Attorney (which will need to be filed at the same time as any opposition) is generally around three weeks. With this in mind, please contact us as soon as possible if you identify any marks which you may wish to oppose.

Market updates and insight

GCC	<p>Innovation agenda a key focus for GCC governments</p> <p>According to the Gulf Petrochemicals and Chemicals Association (GPCA), regional governments have put innovation front and centre on their national agenda. Patent grants from the GCC in chemistry have seen a five-fold increase in the last decade according to the World Intellectual Property Organization. In 2013, 288 chemical patents were granted to applicants from the Arabian Gulf, up from 48 patents in 2004. Between 2005 and 2012, the average share of chemical patents in total patent grants for the GCC was 53%, while worldwide the average was 14%.</p>
Morocco	<p>Changes to Industrial Property Law</p> <p>The new Law No. 23-13 came into force in Morocco on 18 December 2014. It substantially amends the existing Law No. 17-97 relating to Industrial Property Law.</p> <p>Some of the many changes include:</p> <ul style="list-style-type: none"> – European Patent validation – European applications and patents validated for Morocco will be given the same legal effect as national patents in Morocco (see below). – Improvement to the opposition procedure – the time for a trade mark applicant to respond to an opposition notice has been reduced to two months; and – Objections by third parties – interested third parties may object to the registration of trade marks, patents or designs on absolute grounds.
Morocco	<p>European patents may now be validated in Morocco</p> <p>An agreement has been signed between the European Patent Office (EPO) and the Moroccan Industrial and Commercial Property Office (OMPIC) that will allow validation of European Patents in Morocco from 1 March 2015. This development makes Morocco the first non-member country of the European Patent Organisation to validate the legal effect of a European patent nationally.</p> <p>Following the recent changes to the Moroccan Industrial Property Law, European patents and applications validated for Morocco will have the same legal effects as national Moroccan patent filings, and will be subject to Moroccan patent law. The validation of a European patent in Morocco must be made at the applicant's request and can only be sought for an international application filed on or after 1 March 2015.</p>

Qatar	<p>Qatar Patent Office provides search facility</p> <p>The Qatar Patent Office has issued official search request forms for patent searches.</p> <p>This is a positive step as few patent offices in the Middle East offer search options at this time. However, it will be some time before the searches are likely to be able to divulge useful results due to the lack of granted patents. The searches will be conducted through up to six key words. As the database builds, it may require a number of separate searches in order to try ensure meaningful results are available for consideration.</p>
Saudi Arabia	<p>PCT national phase entry begins on schedule</p> <p>The Saudi Patent Office has accepted its first PCT national stage entry on 3 February 2015, 18 months after its accession to the PCT system.</p> <p>Clyde & Co comment – Rob Deans, Partner: <i>“Now that Saudi Arabia is ‘open for business’ for PCT national-phase applications, we expect the numbers of patent filings in the Kingdom to increase. This is a useful time to remind applicants that it is an absolute requirement for patent applications in Saudi Arabia to include a full Arabic language translation of the patent at the time of filing the application in Saudi Arabia.</i></p> <p><i>“Applicants should leave plenty of time for the translation process (we recommend at least one month) to enable a quality translation to be prepared. While an applicant will have 90 days after the filing date to file supporting documents, it is not possible to file the application in a language other than Arabic, and the file the translation later.”</i></p>
Saudi Arabia	<p>Saudi Patent Office accepting electronic applications</p> <p>The Saudi Patent Office, in its capacity as a receiving Office, has notified the International Bureau that it is prepared to receive and process international applications in electronic form with effect from 1 February 2015. The Office will accept international applications filed using the ePCT-Filing function in the ePCT Portal. This brings the total number of receiving Offices accepting e-PCT filings to 161.</p>

UAE	<p>Trade mark opposition backlog to be cleared</p> <p>In the last 12 months, there have been a number of initiatives and practice changes introduced by the UAE Trade Mark Office to try and streamline the trade mark registration process. Where it used to take 18 months before an application was examined, we now receive examination reports, on average, within one month of filing, and registration certificates within six to nine months.</p> <p>The Trade Mark Office has now started to focus on clearing a backlog of trade mark oppositions. We understand that there are more than 2,200 oppositions waiting for hearing dates, including some oppositions that were filed more than seven years ago.</p> <p>The UAE Trade Mark Office is aiming to clear this backlog within three months, by setting hearing dates in all pending oppositions. We have already seen a marked increase in hearings taking place. These hearings are being scheduled on very short notice (in some cases five days or less). This means that brand owners will have very little time to prepare for the hearing.</p> <p>We are therefore recommending to our clients with pending oppositions that they ensure that any supporting evidence or materials for the oppositions are collated on an urgent basis to ensure that they are ready for the hearing. In many cases, this will include arranging for materials to be translated into Arabic, so that these are available for the hearing.</p> <p>Clyde & Co comment – Jon Parker, Head of Trade Marks</p> <p><i>“This is a further indication that the UAE Trade Mark Office is taking steps to address areas where there have been significant delays in the trade mark registration process. This is to be commended.</i></p> <p><i>“The expediting of hearings will mean that there will be a significant number of decisions to be written, and in turn, we expect an increase in appeals to the Trade Mark Committee within the Trade Mark Office. We understand that plans are already in place to manage these other areas, so that the backlog is not simply moved to a later stage in the opposition process.</i></p> <p><i>“We therefore see these developments as welcome news for brand owners with an interest in the UAE.”</i></p>
UAE	<p>UAE Prime Minister encourages innovation in UAE in public sector</p> <p>His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, has emphasised the importance of innovation in the public sector, and on investing in education, research and development.</p> <p>This follows the National Innovation Strategy announced in October 2014, which is to focus on seven sectors (renewable energy, transport, education, health, technology, water and space) and which aims to make the UAE among the most innovative nations worldwide within seven years.</p>
UAE	<p>Dubai Customs launches various online initiatives</p> <p>As part of an initiative to increase online access to Government, Dubai Customs will now accept online applications for the recordal of registered trade marks. Dubai Customs was the first Customs authority in the UAE to introduce trade mark recordals more than seven years ago. However, until now, applications had to be filed in person.</p> <p>As part of a similar initiative, Dubai Customs has also upgraded its Post Clearance Audit (PCA) system, an audit-based control system which enables investigation of goods for compliance with laws. The new systems are expected to be fully integrated.</p>

IP: The key to the Kingdom

The Kingdom of Saudi Arabia is the largest Arabic gulf state in terms of population and GDP. It is therefore a key market for businesses entering the Middle East region. However, it can be a country which poses difficulties both in general terms of doing business, as well as for the protection of intellectual property rights.

With a population of almost 31 million people, which increases significantly during the Hajj (the Islamic pilgrimage to Mecca), businesses are keen to be able to commercialise their products and services in the Kingdom.

The Kingdom has an absolute monarchy. It is now ruled by His Highness Salman bin Abdulaziz Al Saud, following the

passing of King Abdullah in January 2015. Historically, the Kingdom has been the world's largest oil producer before recently being overtaken by the USA.

This article provides an introduction to some of the intellectual property issues to be aware of in this key jurisdiction.

Sharia and intellectual property

The Kingdom of Saudi Arabia is one of the most conservative countries in the world. Its legal system is based on Sharia principles, derived from the teachings of the Quran and the Sunnah. There is no system of binding precedent, with judges having the power to use independent legal reasoning to reach a decision in any matter.

In recent matters we have handled before the Saudi Courts, the Judges have outlined how and where Sharia can apply to intellectual property rights.

In relation to the question of confusion between potentially conflicting trade marks, the Courts have commented that:

"...there is similarity between the marks. This similarity leads to confusion among consumers and causes damage to them. Sharia prohibits the infliction of such damage based on the principle "no harm shall be done, nor harm done in return"..."

The Courts have also stated that such protection is confirmed in Islamic jurisprudence:

"...which calls for protecting rights and properties of all types, including trade marks..."

As well as the Courts, leading Islamic academic institutions have provided their views on the impact of Sharia and intellectual property rights. This was addressed by the Islamic Fiqh Academy (an academy for the advanced study of Islam) which during its Fifth Summit in Kuwait:

"...classified moral rights as protected financial rights that are governed by the Sharia practices with regards to property... trade names, trade addresses trade marks, authorship, inventions and innovations are all rights which belong to their owners and have in the present day customs a financial value. Such rights are recognised in Sharia and shall not be infringing upon..."

However, the principles largely revolve around "ownership". Issues can arise where the rights being relied upon are unregistered rights, particularly in cases where registrations are not held in Saudi Arabia. In such cases the Courts may question whether unregistered rights can "belong" to the owner.

We look further below into issues which IP owners commonly face in Saudi Arabia. In our experience, it is possible for protectable intellectual property rights to be created, recognised and protected in Saudi Arabia, and thereby unlocking the potential to one of the most important markets in the region.

Trade mark protection

By Jon Parker, Head of Trade Marks

Trade mark registrations are obtained through the Trade Mark Office which forms part of the Ministry of Commerce and Industry (**MOCI**) in Riyadh. In the last two years, the officials have developed an in-house computer system so that trade mark applications are now filed and published online. This has significantly expedited the timeline for registering applications that do not meet with objections. Registrations can be obtained in under nine months.

It is possible to secure registered trade marks for products and services in Saudi Arabia. However, there are restrictions where the products or services do not meet with local cultural sensitivities. For example alcohol related products and services cannot be protected.

Saudi operates a single class filing system and with online filing adopted a new classification system. The officials use an adapted version of the 10th Edition of the Nice Classification, but applicants are restricted to pre-approved terms only. This can pose significant issues as everyday terms such as "retail services" or "streaming services" are not included in the acceptable list.

Careful thought and knowledge of what is, and what is not, acceptable in Saudi Arabia is required in order to obtain protection which is suitable for the needs of the business.

Unlike many other countries, opposition proceedings against trade mark applications are filed before an administrative court (the Board of Grievances). More often than not, the proceedings are brought by the opponent against the Trade Mark Office (MOCI) rather than against the applicant.

Our 'top tips' for registering trade marks in Saudi Arabia are:

- **Search** – ensure pre-filing searches are conducted, as the Trade Mark Office will issue a straight refusal if a conflicting mark is identified on examination;
- **Register** – registration is key and we recommend filing early ... before speaking with local partners;

- **Al Arabiya** – Arabic is the main language of Saudi Arabia and the wider region. It is therefore important to develop, protect and use Arabic branding and not rely on an English-only approach;
- **Goods/services** – some are not permitted (alcohol for example) consider what options are open to you to protect your interests;
- **Classification** – with the introduction of online filing, only pre-approved terms are permitted ... not all goods or services are covered and so careful choices need to be made to try and obtain protection;
- **Class headings** – unless the products or services of interest are specifically mentioned in the class heading, we advise against using class headings (as this may result in the enforcement authorities being unwilling to take action);
- **The mark** – objections may be raised on moral grounds to marks which are easily registered elsewhere, and the mark may need to be changed in order to be used and registered in Saudi;
- **Marketing** – for the same reason some rights holders have to change their marketing campaigns from those used in other countries;
- **Consistency** – ensure the Arabic name and address used is consistent with what has been used before, or you may have a rejection based on your own rights;

- **Stay up to date** – update names and addresses for Saudi matters as they occur and avoid the temptation of updating names or addresses on renewals. Due to the need for supporting documents and Powers of Attorneys for such actions, this can pose a false economy when trying to pull together the documentation required at the time of renewal;
- **Act fast** – applications are for the most part examined within days of being filed, and published on the day the fees are paid to the Trade Marks Office; and
- **Dates** - the official calendar in the Kingdom is the Hijiri Calendar. On average, a Hijiri year is 11 days shorter than a Gregorian year. Rights holders are advised to always work from the Hijiri calendar for renewal dates, so as not to miss renewing registered rights.



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Enforcing intellectual property rights

By Rachel Armstrong, Associate

“Do enforcement actions take place?” A common question when it comes to Saudi Arabia and other countries in the region.

We can confirm that enforcement actions do take place, though much depends on the rights the client has in the country. In recent times we have had successful seizures through both Customs and administrative bodies in Saudi Arabia for tens of thousands of counterfeit and infringing products.

So, what options are available?

For trade mark owners with registrations in place, it is relatively straightforward to bring an enforcement action in relation to counterfeit goods at a retail and wholesale level and for border infringements. There are four main options for bringing enforcement action against infringers in Saudi. We have set out below a short overview of each of these options:

1. Administrative complaints

The Ministry of Commerce and Industry (MOCI) in Saudi Arabia accepts complaints in relation to routine counterfeit matters and it has authority to raid both retail outlets and warehouses.

The MOCI has a local section in each province and the complaint needs to be filed with the relevant office for the province where the infringing goods have been identified. Once a complaint has been filed, the MOCI will send inspectors to raid the relevant retail outlets and seizure and destroy any infringing products.

A traders dealing in infringing goods will also be fined, although the value of the fine is usually nominal. In addition the trader may be required to sign an undertaking in favour of the MOCI, which can be helpful in preventing repeat infringements.

2. Criminal complaint

Although it is possible to file a criminal complaint, the police are only likely to pursue the trader when the infringer is carrying large quantities of infringing products, or it is a suspected wholesaler with warehouse or wholesale premises.

The procedure for conducting a criminal raid will depend on the province, although, generally, the complaint must be filed with the local office of the Public Prosecutor. The Public Prosecutor will decide on whether to accept the complaint and then co-ordinate with the police in the specific province in regards to conducting a raid.

3. Civil claim

A civil claim is usually more appropriate for the non-routine cases, for example in trade dress infringement, lookalike cases or where there has been a previous distribution or agency agreement between the parties.

A civil claim is filed with the Board of Grievances. There is little oral advocacy in Court proceedings and litigation is conducted through the exchange of written pleadings. There are usually a number of rounds of pleadings exchanged according to the directions of the Judge, before the Court will adjourn the proceedings to issue judgment.

All Court proceedings are conducted in Arabic. Pleadings and evidence must be submitted in Arabic.

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The cost of civil proceedings is high as a party's legal costs will largely be non-recoverable, as the Courts usually only award nominal legal costs to the successful party. It is also possible to claim damages, which must be evidenced and calculated on the basis of compensation to the loss caused to the trade mark owner. However, in practice, the Court may only be prepared to award nominal damages and there can be difficulty in enforcing orders for damages.



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4. Customs complaint

A complaint can be filed with Customs requesting that infringing products being imported be seized and destroyed. Before filing a complaint, the trade mark owner must hold trade mark registrations in Saudi Arabia for the relevant trade mark being infringed.

It is not a requirement to record trade marks with Customs. If suspected counterfeit goods are detained by Customs, they will inform the brand owner's local representative and provide images or a sample of the detained goods. The brand owner will be notified of the deadline for responding with a complaint, usually 10 days. The brand owner must then file a complaint with Customs, requesting that the goods be seized and destroyed.

Protecting patentable technology

By Rob Deans, Partner

The Kingdom of Saudi Arabia is one of the largest IP centres in the region, being home to the Gulf Co-operation Council's Patent Office, as well as the national Saudi IP offices.

There has been significant growth in "hard IP" in Saudi Arabia with international rights holders looking to the country and, increasingly, with local technology being created and protected in the Kingdom through initiatives by entities such as the King Abdullah University of Science and Technology (**KAUST**). Also through the country's recent accession to the Patent Co-operation Treaty it is an important time in an important market for rights holders.

Patents

Patents are protected in the Kingdom of Saudi Arabia under Law of Patents, Layout-Designs of Integrated Circuits, Plant Varieties, and Industrial Designs (promulgated by Royal Decree No. M/27 of 29/5/1425H (July 17, 2004)) (the Patent Law). The Patent Law provides for the protection of patents, plant varieties, industrial designs, layout designs of integrated circuits but not utility models.

Patents can be registered at the General Directorate of Patents at King Abdulaziz City of Science and Technology (**KACST**).

An invention in Saudi Arabia can be protected by way of a patent filed:

- at KACST either as a stand-alone direct application or via the Patent Cooperation Treaty (PCT);
- with the Gulf Cooperation Council (GCC) Patent Office either as a stand-alone direct application or within a 12 month priority period which is provided for under the GCC Patent Law. The GCC Patent Office registers patents covering the six member states of the GCC being the Saudi Arabia, the UAE, Qatar, Oman, Kuwait and Bahrain.

Saudi Arabia has implemented national legislation ratifying the GCC Patent Law. However, this legislation does not deal with the enforcement of GCC patents in Saudi Arabia, despite the GCC Patent Law providing that enforcement issues are a matter for national legislation.

As a result, there is no clear regime for enforcing patents granted by the GCC Patent Office in Saudi Arabia.

A question commonly asked is surrounding software and patents. In Saudi Arabia, computer programs as such are not patentable although, if the relevant criteria are met, software may be protected as a copyright work. In addition, computer-related inventions (as opposed to software alone) are potentially patentable in Saudi Arabia.

Patents in Saudi Arabia must be filed in Arabic. It is not possible to file the Arabic translation late - it must be available at the time of filing the application. To this end, our 'top tip' for filing patents in Saudi Arabia is to ensure that patent translations are undertaken early (at least a month before the filing date), so that there is sufficient time to prepare a quality translation.



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Copyright

By Harriet Balloch, Senior Associate

There are a number of myths about copyright protection in Saudi Arabia, such as “it is not possible for non-Saudi nationals / foreign companies to benefit from copyright protection”. This is not the case.

The Kingdom is party to the Berne Convention which sets out basic principles including “national treatment” and the “automatic” protection of copyright works.

However, in order to be able to successfully enforce copyright in the Kingdom, it is important to be able to show a chain of ownership of copyright from the individual that created the work to the owner (ie in the form of an assignment agreement which complies with the Royal Decree No. M/41 (the **Saudi Copyright Law**)).

As a general rule, copyright vests automatically in the author of a work on creation, until copyright is assigned in accordance with the provisions of the Saudi Copyright Law. There are exceptions for joint and collective works, ie works created by a group of people. It is important to note that the moral rights will remain with the author.

It is often (incorrectly) assumed that copyright will automatically be owned by one party because it commissioned the relevant works to be created (ie software, designs or other deliverables). However, unlike the position in the US (which has the ‘works for hire’ concept), copyright in commissioned works will be retained by the author under the Saudi Copyright Law.

Accordingly, in the absence of IP provisions in commissioning agreements, the contractor will usually retain copyright in the deliverables and the commissioner may have no right to use, copy or amend the works in the Kingdom.

Another issue worth highlighting is that the Saudi Copyright Law does not contain a provision which states that copyright in works created by employees during the course of their employment will be automatically owned by their employers.

As a result, companies with R&D departments or key works being created within the Kingdom (such as oil and gas companies or content producers) should ensure that assignments agreements are signed by the individuals that create the works to ensure that copyright is effectively transferred to the companies (and not retained by individual consultants or employees).

In order for an assignment of copyright to be valid under the provision of the Saudi Copyright Law, it must be in writing and it must specify the place and duration of the assignment.

Taking steps to put in place a valid chain of ownership will ensure that companies are able to use, exploit and enforce copyright in key works in the Kingdom.



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UAE Trade Mark Gazette

The latest edition of the UAE Trade Mark Gazette was published on 3 March 2015 and we have made a copy of this Gazette available online. This month's opposition deadline is 1 April 2015. Click [here](#) to access the Gazette.

Checking the Gazette

The link provided is the original Arabic language Gazette without an English language translation. This Gazette is in the form of an Adobe pdf file and it is possible to carry out key word searches in order to identify potentially conflicting trade mark applications.

Please note that due to the size of the Adobe pdf file, it may take several minutes for the Gazette to load. However, once loaded, it should be possible to review and search the Gazette without experiencing any delays.

Contacting us

If you have any marks that are of potential concern, or if you have any queries, then please email us at ip@clydeco.com with:

- the trade mark(s) of interest; and
- the relevant page number(s) of the Gazette.

We can then check the Gazette and provide you with full details of the application so that you or your client can decide whether to file an opposition before the deadline and put in place a legalised Power of Attorney if necessary.

In order to have any chance of meeting the non-extendable opposition deadline where a legalised Power of Attorney is required, we will need your urgent feedback on marks of potential concern.

Should you require urgent assistance, we will need to conduct conflict checks to ensure we are free to assist.

22 territories across the Middle East and North Africa (MENA) region

Tunisia**
United Arab Emirates*
West Bank
(Palestine)**
Yemen**

*Clyde & Co offices and associated offices ** Corresponding agents offices

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