

Intellectual Property Newsletter

April 2015



Middle East and North Africa region

Our market updates this month lead with the news that Dubai Customs may soon cease the practice of re-exporting counterfeit products seized by their inspectors. This will be very welcome news for many brand owners.

At Clyde & Co, our IP team is patting itself on the back having received the inaugural UAE IP Firm of the Year at the 2015 Managing IP Global Awards, which took place at MIP's 10th annual awards ceremony held in London on 11 March. Well done team!

Also in March, we were ranked as band one again by Chambers and Partners, with each of Rob Deans, Joycia Young and Jon Parker being ranked as leading lawyers. We are also delighted by some of our clients' comments which include that we:

- are “willing to go the extra mile to ensure that matters are handled in the best possible manner”;
- “really have that mix of local experience and commercial understanding”; and
- have a way of “distilling issues across multiple jurisdictions down to a few salient points which are easily understood and acted upon”.

We certainly try very hard indeed to provide our clients with the advice required in a professional and personable way. The feedback that we receive through these surveys is genuinely appreciated – thank you!

In this month's issue, we also cover:

Protecting IP rights in sanctioned countries: Iran and Syria

This month we report on a very topical issue for many of our clients – can they register and enforce their intellectual property rights in Iran and Syria? Our sanctions specialists, Patrick Murphy and Douglas Maag, answer this question together with Harriet Balloch in our IP team.

Click [here](#) for a link to the full article.

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 1 April 2015. This month's opposition deadline is 1 May 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

UAE	Re-exportation of seized goods by Dubai Customs may cease It has been reported that the Director of the Intellectual Property Rights Department at Dubai Customs has indicated that they will shortly cease re-exporting counterfeit products which have been seized by Customs. Instead, seized counterfeit products are to be recycled at the cost of the infringer. The practice of re-exporting seized goods by Customs has always been a contentious issue. A new draft UAE Anti-Commercial Fraud Law was issued in 2013 which appeared to legitimise this practice. This draft was subsequently amended in 2014 so as to limit the circumstances in which counterfeit goods could be re-exported. The present draft of the UAE Anti-Commercial Fraud Law permits the re-exportation of goods, which fall within the definition of 'fraudulent' and 'corrupt' products, but it requires that counterfeit products be destroyed. The Director's comments are, however, a positive indication that the Dubai Customs will proceed with destruction of seized goods in all circumstances. Clyde & Co comment – Rob Deans, Partner: <i>"The change of Dubai Customs' approach away from the re-exportation of counterfeit goods is very positive news indeed. This also shows the benefits of a collaborative approach between Customs and brand owning businesses, which has enabled a system for the recycling of counterfeit goods to be set up in Dubai (moving away from the previous practice of destroying counterfeit goods and dumping the remains into landfill sites)."</i>
Kurdistan	Customs notification Customs in Kurdistan will no longer receive automatic notification from the Trade Mark Office of the registration of a trade mark. Brand owners must now notify Customs themselves by obtaining an official letter from the Trade Mark Office and providing this to Customs. The official fees payable for issuing the letter are to be in the region of IQD 50,000 (equivalent to approximately USD 45).
Qatar	Payment of annuity fees for patent applications in Qatar The Qatari Patent Office has stipulated that the deadline for payment of filing, examination and annuity fees for all patent applications filed prior to 1 January 2015 is 31 July 2015. For any PCT applications filed after 1 January 2015, the deadline for payment of the annuity fees will be calculated from the PCT filing date. For non-PCT applications (national applications), the deadline will be calculated from the date of filing. For applications with a priority claim, the deadline will be calculated from the priority date.

Sudan	Increase in official filing fees in Sudan Official fees for the filing of applications have been increased with effect from 1 March 2015 from SDG 133 to SDG 233 (ie from approximately USD 23 to approximately USD 40).
UAE	Four million fake perfumes seized in Dubai The Dubai Department of Economic Development has seized four million counterfeit perfume bottles with a value of approximately AED 110 million (USD 30 million). The bottles were found in two warehouses in the Ras Al Khor Industrial Area, featuring 22 different brands.
UAE	Dubai IPR enforcement officials meet Japanese businesses Pursuant to an invitation from the Japan External Trade Organisation (JETRO), representatives of Dubai Customs, Dubai Police and Emirates Intellectual Property Association met with major Japanese companies in late February. After visiting many sites of interest in Japan, the Dubai Customs officials were invited to present on their recent endeavours to curb counterfeit products entering Dubai. Clyde & Co comment - Takamasa Makita, Legal Director: <i>“This meeting was well attended by representatives of the enforcement authorities in Dubai and provided brand owners with a useful opportunity to discuss key enforcement issues. An MOU was also signed which we hope will progress further co-operation in relation to IP enforcement.”</i>

Protecting IP rights in sanctioned countries: Iran and Syria

By Harriet Balloch, Senior Associate, with input from our sanction specialists, Patrick Murphy, Legal Director and Douglas Maag, Senior Counsel

We are regularly asked to advise brand owners on the impact of sanctions on their ability to protect and enforce intellectual property (IP) rights in the Middle East region. This article summarises the position under the EU and US sanctions regulations in relation to IP rights in Iran and Syria.

In summary, the current position is that IP rights owners are not prohibited from protecting and enforcing their IP rights in Iran and Syria, under the existing EU and US sanctions.

However, difficulties remain and businesses should ensure that any company or individual with which they conduct business in Iran and Syria (including licensees, distributors, customers and professional advisors) are not listed on the designated persons registers maintained by the national governments in the EU and by the US government.

IP rights owners with a presence in the EU or the US, or with employees who are nationals from the EU or the US, will be required to comply with all applicable sanctions. It is therefore important that businesses with interests in sanctioned countries conduct regular assessments in order to avoid a breach of EU or US sanctions and the serious penalties that would then apply.

We set out below a more detailed review of the EU and US sanction regulations, together with some suggested action points for IP rights owners with interests in Iran and Syria:

1. EU sanctions against Syria and Iran

The EU has implemented economic and trade sanctions against Iran and Syria, and specific entities and individuals in these countries.

The EU sanctions apply to any person in the EU, entities which are incorporated in the EU and nationals of EU countries, as well as to any business carried out within the EU.

The EU sanctions effectively restrict certain activities in relation to:

- Iran under Regulation 267/2012 (as amended); and

- Syria under Regulation 36/2012 (as amended), (collectively the **EU Regulations**).

There are two key restrictions under the EU Regulations:

1.1 “Identity Based” restrictions

These restrictions prohibit those persons subject to the EU Regulation from engaging in any economic activity with certain designated persons. The relevant factor is whom the person is trading with (as opposed to which activity is being undertaken).

Specifically, persons subject to the EU Regulations have to freeze funds and economic resources of designated persons, and so are restricted from dealing with them, whether directly or indirectly through a third party.

Accordingly, it is important to check the lists of designated persons (which are maintained and updated by the national governments in the EU) to ensure that business partners and customers do not appear on these lists.

1.2 “Activity Based” restrictions

The EU Regulations also prohibit certain defined activities from being carried out in Iran or Syria by persons subject to the EU Regulations.

The activities targeted in the EU Regulations are principally those connected with the oil and gas and shipping industries (specifically the export of certain key equipment and technology), insurance, as well as banking and finance.

Accordingly, for those persons who are subject to the EU Regulations, it is important to identify

precisely what activity is being carried out in relation to Iran and Syria in order to ascertain whether the activity is prohibited. Unless an activity is expressly prohibited by the EU Regulations, it is permitted.

The protection and enforcement of IP rights is not one of the activities restricted in the Regulations.

1.3 Impact on IP rights owners

Accordingly, IP rights owners are not prohibited from protecting and enforcing their IP rights in Iran or Syria by the EU Regulations.

In any event, IP rights owners should ensure that they avoid any dealings which would breach the “identity based” restrictions by carrying out due diligence on current and future licensees, distributors and customers in Iran and Syria to ensure that they are not designated persons.

Breaching the EU regulations can result in penalties being imposed against companies and individuals, including imprisonment and/or fines.

2. US sanctions against Iran and Syria

The Office of Foreign Assets Control (OFAC) at the US Department of Treasury administers the sanction regime in the US.

The US has imposed financial and trade sanctions which generally prohibit US Persons from trading with sanctioned countries, including Iran and Syria. A list of specific individuals and companies which are considered specially designated nationals is maintained and published by OFAC.

The US sanctions apply to ‘US Persons’, which is widely defined to include any person in the US, entities incorporated in the US (and their foreign branches), US subsidiaries (under the Iran sanctions) or branches of foreign companies, US citizens and permanent residents of the US.

2.1 Scope of restrictions

US Persons are required to comply with the following regulations:

- the Iranian Transactions and Sanctions Regulations (31 C.F.R. Part 560) and other relevant laws (the US Iranian Sanctions), subject to certain exceptions; and
- the Syria Sanctions Regulations 31 C.F.R. Part 542 (2011), Executive Orders (13606, 13608, 13338, 13582) and other relevant laws (the US Syrian Sanctions)

(collectively the **US Sanctions**).

The US Sanctions generally prohibit US Persons from engaging in transactions concerning Iran and Syria. Failure to comply with the US Sanctions can result in severe penalties being imposed, including civil and criminal fines and/or imprisonment.

2.2 Exceptions for IP rights owners

IP rights owners can seek to rely on exceptions relating to the protection and enforcement of IP rights under the US Sanctions. Specifically, the following transactions in Iran and Syria are considered to be authorised:

- the filing and prosecution of any application to obtain a patent, trade mark, copyright or other form of IP protection;
- the receipt of a patent, trademark, copyright or other form of IP protection;
- the renewal or maintenance of a patent, trademark, copyright or other form of IP protection;
- the filing and prosecution of oppositions or infringement proceedings with respect to a patent, trademark, copyright or other form of IP rights, or actions taken to defend such proceedings; and
- the payment of fees currently due to the Government of Iran and Syria; and
- the payment of reasonable and customary fees and charges to attorneys in Iran and Syria.

These permitted transactions are subject to the prohibition on any dealing with or the transfer of any funds to specifically designated persons, as determined by the US Secretary of the Treasury. Accordingly, by way of example, no payments should be made to the accounts of any specifically designated persons regardless of whether the funds relate to the protection or enforcement of IP rights.

3. Action points for IP rights owners

With discussions regarding the lifting of sanctions in Iran ongoing, many businesses are looking to expand their operations into the country. This puts pressure on those managing these businesses' IP rights to ensure that suitable protection is in place.

The good news is that under the EU and US sanctions regimes, IP rights owners are permitted to take action to protect and enforce their IP rights in Iran and Syria, subject to ensuring that they are not dealing with any individuals or entities which have been 'blacklisted' as designated persons.

Although there are serious criminal consequences for companies and individuals found to be breaching the sanctions regulations, it is relatively straightforward for IP rights owners to ensure compliance by undertaking an audit of current and proposed partners and customers in Iran and Syria.

However, IP rights owners should also consider other potential impacts of the sanctions regimes on their businesses, including in relation to the restrictions on the export or import of specific equipment and products. It is also important for IP rights owners to monitor the sanctions regime to ensure ongoing compliance, given the volatility of the political situation in the region.



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UAE TRADE MARK GAZETTE

The latest edition of the UAE Trade Mark Gazette was published on 1 April 2015 and we have made a copy of this Gazette available online. This month's opposition deadline is 1 May 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.

Our regional coverage



“

Clyde & Co LLP's IP team, which is one of the largest in the region, has good local knowledge and gives practical, business-oriented advice.”

Legal 500 EMEA 2014

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

Algeria**
Bahrain**
Egypt**
Gaza (Palestine)**
Iran**
Iraq**
Jordan**
Kuwait**
Lebanon**

Libya*
Morocco**
Oman**
Qatar*
Saudi Arabia*
South Sudan**
Sudan**
Syria**
Tanzania*

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

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