

## TRADEMARKS – A BRIEF GUIDE TO PROTECTING YOUR BUSINESS IN THE UAE RELATING TO NON-USE AND LICENCES

*This article addresses the risk presented by non-use of registered trademarks and the importance of registering licences. It is written by IP specialist for Al Suwaidi & Company in Dubai - David Lant, a UK qualified solicitor.*

### General rule

There is a worldwide mantra in IP circles. You must use your registered trademark or it will be exposed to potential cancellation by a competitor. The concept is known as ‘non-use’.

In the UAE, the golden rule to be aware of is that use of a trademark is not required for registration or renewal. However, a trademark is vulnerable to revocation by any interested party if there has been no genuine/effective/continuous use of the mark (except possibly by a bona fide licensee) for a period of 5 consecutive years from the registration date.

### UAE Federal Law

The UAE Federal Law is an important reference point. For those unfamiliar with it, the law relates to the seven Emirates of Abu-Dhabi, Dubai, Sharjah, Ras Al-Khaimah, Ajman, Fujairah and Umm Al-Quwain.

Article 22 is the appropriate provision dealing with non-use. It says the following:

*“The concerned civil court shall, on a request from any interested party, order the cancellation of trademark registration if it is proven that the trademark has not been seriously used for five consecutive years unless the owner of the trademark proves that non-use was for reasons beyond his control such as import restrictions and other governmental procedures that are imposed on goods and services distinguished by the trademark. For the purposes of this Article, use of the mark by an entity authorized by the owner shall be considered as proof of use by the owner himself”*

Initially the applicant must demonstrate that the trademark owner has not used the mark as required by Article 22. If the applicant is able to put forward a robust case then the burden of proof is on the owner of the mark to show that there has been continuous use to deflect the claim for cancellation.

Furthermore as Article 22 implies, if the trademark owner can demonstrate a reason for non-use relating to economic or government restrictions, which are beyond his control, cancellation may be avoided.

Article 17 says that once a trademark is used continuously within 5 years from the date of registration, its ownership cannot be disputed. This, of course, leaves open the possibility that if the relevant mark is unused for 5 years following registration it is vulnerable. There is an exception where the challenger can show the mark was registered illegitimately. Article 6bis of The Paris Convention for the Protection of Industrial Property states that "No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith".

### Licensed use

Turning to the position where a trademark is used by a licensed business operator, in a distribution agreement, for example. In the absence of use by a registered holder during the initial 5 years, there is some ambiguity concerning use by a licensee where the licence is not a matter of record. If this is the case, it reduces the likelihood that use by a licensee will constitute genuine use to keep the mark alive.

Article 31 says:

*"The licence agreement for the use of the trademark shall be recorded in the register; the licence shall have no effect against third parties unless it has been recorded in the register and published as prescribed in the regulation."*

The inference to be drawn from the broad wording of the above passage is that trademark owners should record any licences to avoid the unwelcome prospect of diluting their rights and thereby becoming exposed to challenges from interested parties to cancel a mark for non-use. This should not be overlooked and it is good business practice to record these arrangements in the proper place with the UAE Trademarks Office.

Many trademark owners will consciously avoid the option for recording licensed trademark rights due in part to longwinded processes which could take months to complete. This is understandable when there are other important business matters to be dealt with but the importance of registering these agreements must not be underestimated.

If a licence is unrecorded and there is no written agreement, it does not prevent a trade mark owner from relying on such a licence to prove genuine use of the mark. However, a defence could be drastically reduced if the licensee's usage is difficult to show as well as the licence itself being unrecorded. The clear message, once again, is take the time to register a cogent written licence.

### Conclusion

Given the widespread usage of licence agreements in the UAE, the significance of Article 32 is obvious. It presents a straightforward mechanism for protecting the validity of trademark registrations against interested parties who wish to cancel for non-use. Al Suwaidi & Company is ideally placed to assist your business with this fundamental safeguard and any other IP requirements you may have.

Finally it is worth noting the general rule that if a trademark is cancelled due to non-use, no-one except the original trademark owner will be able to register the same mark within a period of 3 years following cancellation (with some exceptions).

**Should you require any assistance with issues in this article or any other aspect of IP protection please contact David Lant [david.lant@alsuwaidi.ae](mailto:david.lant@alsuwaidi.ae) or Mohammad Rawashdeh [Mohammad.rawashdeh@alsuwaidi.ae](mailto:Mohammad.rawashdeh@alsuwaidi.ae)**



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