



Trademark and Branding Issues in the Hospitality Context

Paper prepared for "Desert to dessert: leisure property development in MENA nations and beyond," a program sponsored by the Leisure Industries Section, the Arab Regional Forum, the International Franchising Committee and the Real Estate Committee

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Author's Note

This briefing paper is intended to provide a jumping-off point for one of the round-table discussions which will follow the afternoon session speaker presentations in Dubai. Familiarity with the fact scenario for the "Desert to Dessert" program is assumed. The fact scenario will be available in hard copy at the program. It is also available on-line at the Leisure Industries Section page of the IBA website at http://www.ibanet.org/LPD/Leisure_Industries_Section/Leisure_Industries/Default.aspx and was submitted for inclusion in the CD of conference papers.

I. TRADEMARKS AND BRANDING: RELATED BUT NOT SYNONYMOUS

Why are trademarks and brands important in the context of the hospitality industry? As with any good or service, a trademark communicates to potential consumers information about source, from which in turn consumers may draw inferences based on their past experience with, or knowledge of reputation concerning, the nature of the good or service. Even if the service isn't provided directly by the trademark owner, but perhaps by another party operating under contract or franchise —as often is the case in the hospitality industry — that party typically will be obliged by the mark proprietor to adhere to standards for the provision of the service. Trademark is a legal concept, governed by varying national laws subject to a limited transnational regime.

Branding is a distinct but related concept which focuses more on the customer experience. It is more a marketing concept than a legal one. While it can have cultural variations, branding typically is not concerned with territorial limitations. Many brands function globally. A successful brand communicates to consumers a certain identity, intended to be evocative of patrons' experience of the brand, and usually centers on a uniform and consistent line of products and/or services provided across different times and places.

In a sentence, the brand encapsulates the customer experience; the trademark signifies the brand.

This paper provides a general overview of legal issues relating to trademarks and branding as they impact the hospitality industry. It proceeds initially from an American perspective but then addresses the issues in an international context, with particular

regard to the United Arab Emirates (“UAE”). Without remotely attempting to be encyclopedic, the paper identifies and discusses briefly some critical concepts relevant to trademarks and branding.

II. TRADEMARKS

History and Purpose

Instances of artisans marking their goods to show who made them have been found in ancient Rome, Greece and Egypt.² Then as now, a primary purpose of a trademark was to tell consumers about the source of the product or service they were thinking about purchasing. This embodied the “good will” of the maker of the product or provider of the service.

An old English case defined good will as “[A]ll the past disposition which customers entertain toward the house of business identified by the particular name or firm, and which may induce them to continue giving that custom to it.”³ Consumers who have experienced a particular provider’s goods and services previously and liked them, or who have heard them praised by others, can identify them subsequently by a trademark and thereby have greater confidence the past positive experience they or a friend had will be repeated. To that extent, the trademark operates as a consumer protection mechanism by furnishing an indication of quality.⁴

English common law afforded some protection to trademarks, but in limited ways, often focusing on a competitor’s “palming off” conduct and using an unfair competition analysis.⁵ Statutory trademarks came into play later, and also are of more recent origin

² “Beware Of International Brand Piracy,” Harvard Business Review (March, 1980) p. 52 (wine caps from ancient Rome and Greece); Amir H. Khoury, “Ancient and Islamic Sources of Intellectual Property Protection in the Middle East: A Focus on Trademarks,” 43 IDEA 151, 156-57 (2003)(First Dynasty pottery found at Abydos, Egypt).

³ Churton v. Douglas, 2 M., D.& DeG. 294 (Eng. 1859), quoted in J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition (4th ed.)(Thomson-Reuters/West) (hereinafter cited as “McCarthy”) §2:17 n.9.

⁴ “Trademark law serves to protect both consumers from deception and confusion over trade symbols and to protect the plaintiff’s infringed mark as property.” McCarthy, § 2.2 at p. 2-4.

⁵ The earliest English case now identified as a trademark decision was decided in 1584 during the reign of Elizabeth I, Sandforth’s Case. See K. M. Stolte, “How Early Did Anglo-American Trademark Law Begin? An Answer to Schechter’s Conundrum,” 8 Fordham IP Media & Ent. L.J. 505 (1998).

than other intellectual property protection regimes such as copyright and patent.⁶ The earliest English statutory trademark registration was granted to the brewer of Bass Ale in 1875 for its famous red triangle.⁷

The concept of trademarks and also the range of what can serve as a trademark have grown since then. It is not an exaggeration to say, as one author has, that trademarks have become central to the modern marketing of goods and services.⁸

The hospitality field is no exception. The fact scenario for this program posits hotel chains with their roots in three different continents, each hoping to win a chance to own, operate or franchise hotels on a fourth continent. Particularly in a world where more and more people find themselves travelling for business or pleasure to unfamiliar areas, having a trademark recognizable to a traveler from his or her home can be a particularly valuable selling point.⁹ In the hospitality context, such factors also can play a role

Interestingly, the first UAE court decision addressing trademarks also recognized the roots of trademark protection as a species of unfair competition law. Thani ben Murshid & Co. & The African Co. v. Refrigerator Al-Nawis Co. (1973) (Civil Court of Abu Dhabi), aff'd, (1973) (Court of Appeals), discussed at McCarthy §2:6 n.8. The Civil Court wrote in that case:

The manufacturer and trader who have established themselves and have become well known are able to gain the confidence of the consumer by virtue of the expenditure of effort and money so that the consumer, by trial and experience, comes to rely upon their goods This state is advancing continually and at an ever-increasing pace. Its trade is increasing correspondingly and goods of various kinds are arriving in it from all quarters. The consumer has grown accustomed to buying goods or materials bearing special and known marks and brand names If a manufacturer or a trader comes along and takes advantage of the trouble and expense which others have incurred so as to gain an advantage for himself and proceeds, in the hope of obtaining advantage and profit, to imitate or simulate a well-known trademark or brand, he not only violates the legitimate rights of the individual, but willfully deceives consumers The duty of this Court is not only to protect the rights of the parties who stand before it expecting justice at its hands, but also to protect the rights of the citizen on whose money the manufacturers and traders live. The citizen is entitled to buy what he fancies for the money he pays.

⁶ In the United States, patents and copyrights were provided for in the U.S. Constitution, Art. I, §8, cl. 8, in 1789. Trademarks were first recognized by a federal statute only in 1870, but that law was struck down as unconstitutional shortly thereafter. Limited federal trademark statutes were enacted in 1881 and 1905. The contemporary American concept of trademarks was codified in 1946 in the Lanham Act, 15 U.S.C. §1051 et seq.

⁷ British Library, Trade marks collection, available at <http://webcache.googleusercontent.com/search?q=cache:wspcvTEmYfMJ:www.bl.uk/reshelp/findhelpsubject/usmanlaw/ip/tradmk/trademarks.html+bass+ale+first+trademark+law&cd=21&hl=en&ct=clnk&gl=us> (last viewed on September 22, 2011).

⁸ Christopher P. Bussert, "Trademarks - U.S." in The Intellectual Property Handbook (American Bar Association, Section of Intellectual Property Law, Forum on Franchising 2005) at p. 1 (hereinafter cited as "IP Handbook.")

⁹ As a commentator wrote of the Ninth Circuit's decision in Grupo Gigante SA de CV v. Dallo & Co., Inc., 391 F.3d 1088 (9th Cir. 2004), "It recognized that today people and commerce move across borders, and

through trade dress, for example in the uniforms of hotel staff or the décor of a restaurant.¹⁰

It is altogether fitting that the fact scenario for this program is set in Dubai. On the world hospitality stage, Dubai punches far above its weight. Perhaps no other city has developed so rapidly and so distinctively as a travel destination. In 2006, the US\$8 billion in revenue derived from tourism enterprises in Dubai accounted for fully one-quarter of the city's entire economic activity.¹¹ Two years later, the percentage was 30%.¹² By the start of 2011, tourism accounted for 35% of Dubai's retail sales.¹³ Also in 2008, Dubai had 350 luxury hotels, with 40,000 rooms. The emirate attracted 7.3 million overnight visitors that year — more than each of Australia, Brazil and India. Even after the onset of the global financial crisis, Dubai planned to add almost 10,000 hotel rooms in 2010.¹⁴ In part owing to travelers shifting from other Middle Eastern destinations experiencing unrest, Dubai had 8.29 million visitors in 2010.¹⁵

Trademark as a Territorial Concept and Use v. Filing to Establish Priority

Trademark law is both national and territorial. It follows that what qualifies for use as a trademark and what requisites it must satisfy vary from country to country. While there are broad principles of general applicability, the variations in trademark law can be

that this is especially true in the United States as a nation of immigrants." Xuan-Thao Nguyen, "The Other Famous Marks Doctrine," 17 Transnational Law and Contemporary Problems 757, 762 (2008).

¹⁰ See, e.g., Two Pesos v. Taco Cabana, 505 U.S. 763 (1992)(distinctive aspects of restaurant's appearance); ITC Ltd. v. Punchgini, Inc., 482 F.3d 135 (2d Cir.), cert. denied, 552 U.S. 827 (2007), conformed to response to question certified to New York Court of Appeals, 518 F.3d 159 (2d Cir. 2008)(dispute involving restaurant's décor, staff uniforms, wood-slab menus and customer bibs, among other things). The author and his colleagues also have had direct experience in a restaurant case involving similar dress issues, see Pete Wells, "Chef Sues Over Intellectual Property (the Menu)," The New York Times, June 27, 2007, p. 1.

¹¹ Except as otherwise noted, all statistics in this paragraph are drawn from Jim Krane, City of Gold: Dubai and the Dream of Capitalism (Picador paperback ed. 2010) at pp. 117-18. For an engaging overview of the development of Dubai as an aviation and tourism center, see id. at pp. 103-33.

¹² Syed Ali, Dubai: Gilded Cage (Yale University Press: 2010) p. 43 (citing The Economist).

¹³ Sarah B. Foley, "Considerations for hospitality industry expansion in the Middle East and North Africa," [2011] Travel Law Quarterly 137, 141.

¹⁴ Id., at 142 (9,700 rooms).

¹⁵ Kathi Everden, "Dubai hotels: is service back to normal?" in Hotelier Middle East, August 3, 2011 at <http://www.hoteliermiddleeast.com/11925-dubai-hotels-is-service-back-to-normal/1> (last viewed August 3, 2011).

significant, if not absolutely crucial. Although international harmonization has increased in recent decades, uniformity does not exist.

The United States, for example, is a “first use” jurisdiction rather than a “first filed” jurisdiction. Seniority in use of the mark is thus the basis for the accrual of rights in the United States, not priority of filing with a registrar.¹⁶ By contrast, many — indeed, most — countries hold to the view that the person who first registers or files a trademark with the relevant office acquires the legal rights to it, without regard to use. In addition to India and the United States, which figure in the fact scenario, Bahrain, Iraq, Israel, Jordan and Tunisia in the Middle East-North Africa region are “first use” jurisdictions, meaning protection can be obtained by the first user of the mark in commerce.¹⁷ Many countries, however, including a number of those just noted as “first use” nations, also allow a registration to be made on the basis of an intent to use or a proposed use.¹⁸ In the United States, issuance of a registration cannot occur until proof of use has been submitted to the U.S. Patent and Trademark Office. Once it has been submitted, however, the priority for the mark reaches back in time to the date of the initial “intent to use” filing.¹⁹

In contrast, the United Arab Emirates is a “first-filed” nation.²⁰ The UAE is a member of the Paris Convention for the Protection of Intellectual Property.²¹ Although the UAE is not a signatory to the Nice Agreement on Classifications,²² it employs the eighth edition

¹⁶ It also bears noting that Lanham Act protections are not limited to registered trademarks but can be extended to prohibit unfair competition through use of certain non-registered marks under Section 43(a)(1)(A), 15 U.S.C. § 1125(a)(1)(A)(use of “any word, term, name, symbol, device, or any combination thereof . . . which . . . is likely to cause confusion . . . as to the origin, sponsorship or approval of goods, services or commercial activities by another person . . .”). The laws of individual states also may afford recourse.

¹⁷ Ann K. Ford, “Trademarks - International,” in IP Handbook, Appendix 3, p. 96.

¹⁸ Id.

¹⁹ 15 U.S.C. § 1057(c).

²⁰ Ford in IP Handbook, Appendix 2, p. 95.

²¹ Id., Appendix 7, p. 106.

²² Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (1957). However, the UAE requires a separate trademark application to be made for each class in which protection is sought.

of the international classification system.²³ The trademarks for our hypothetical hotels and their hypothetical restaurants and lounges probably fall within International Class (“IC”) 43 under the Nice Agreement (services for providing food and drink, temporary accommodation). But other aspects of the proposed developments might fit within other classes, such as IC 36 (real estate affairs, with respect to owned hotel units and retail space), IC 44 (hygienic and beauty care, with regard to spas), IC 35 (office functions) or IC 38 (telecommunications).

Although trademarks can be applied to the provision of goods or services, not all countries allow service marks to be registered. India, for example, does not. Within our fact scenario, however, the United Arab Emirates, the United States and France allow service marks to be registered, as do Bahrain, Djibouti, Egypt, Iran, Israel, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia and Yemen in the MENA region.²⁴ All three RFP finalists in our fact scenario already have existing brand names which presumably enjoy trademark protection in one or more jurisdictions.

Distinctiveness

In most jurisdictions, the strongest word-based marks are those which are coined or fanciful. The levels of distinctiveness for marks, in descending (more readily to less readily protected) order, are fanciful (such as Kodak); arbitrary (say, Google for online search services), suggestive (Waffle House); and descriptive or generic (“Fast Burgers”).

Of the three RFP finalists in our fact scenario, only Globotel’s mark is a little like a fanciful mark, although it’s not as completely invented as Kodak, consisting as it does of a combination of the English language words globe and hotel. Luxe/Vert/Magnifique Hotels is probably at the low end of the distinctiveness continuum, because it might be considered to be merely descriptive in the French language of the chief characteristics of the chain’s hotels — luxury, ecofriendliness (green) and high quality. Star of India also might fall at the less-protected end of the spectrum. Globotel’s “G” mark certainly is an arbitrary mark — it will develop distinctiveness only through use, advertising and

²³ Amir H. Khoury, “Dubai’s New Intellectual Property-Based Economy: Prospects for Development Without Dependency,” 9 *J. Marshall Rev. Intell. Prop. L.* 84, 89 n.37 (Fall, 2009).

²⁴ Ford in *IP Handbook*, *supra*, Appendix 4.

promotion, and the same is true for the various combinations in which Globotel uses it to promote particular services.

Stripes, Slogans and Golden Arches

Among the many things which can function as trademarks in most jurisdictions are words, names, letters, abbreviations, numbers, drawings, symbols, designs and pictures.²⁵ “McDonald’s” is a registered trademark in the United States; so are the restaurant chain’s drive-in buildings and their Golden Arches.²⁶ Adidas has a U.S. registration for the three parallel colored stripes on the sides of its athletic shoes.²⁷ Slogans also have become widely used trademark devices in the United States — for example, Nike’s “Just Do It” tag line.²⁸ Some nations allow more exotic species of marks, such as sounds and scents.²⁹ A very recent trial-level decision in the United States cast doubt on whether a color could be trademarked for application to the outer soles of women’s shoes.³⁰

UAE Trademark Law

Having assumed that all three hotel chains’ trademarks have been protected in their home countries and perhaps elsewhere, we turn to the question: can they be protected in the UAE?

²⁵ See, e.g., McCarthy at §§ 7:9-7:18 and §§ 7:24-7:38.

²⁶ Reg. Nos. 3580970 (“McDonald’s” for restaurant services), 764,837 (building design and Golden Arches).

²⁷ Reg. No. 3029129.

²⁸ Reg. No. 1875307.

²⁹ McCarthy at §7:104 (sounds, for example, the cinematic roar of the MGM lion); §7:106 (fragrance).

³⁰ Christian Louboutin S.A. v. Yves Saint Laurent of America, Inc., 778 F.Supp.2d 445 (S.D.N.Y. August 10, 2011), appeal pending to U.S. Court of Appeals for the Second Circuit. See David Jacoby and Judith S. Roth, “Fashion, colour and US trademarks,” IBA North American Regional Forum News (September, 2011) at p. 24.

The governing statute is Federal Law No. 8 of 2002, which amended Federal Law No. 37 of 1992.³¹ The text of Law No. 8 is appended to this paper. Article 2 of the statute sets out what can qualify as a trademark:

A trademark is anything which takes a distinctive form whether names, words, signatures, letters, figures, drawings, symbols, titles, tax stamps, seals, pictures, inscriptions, advertisements or packs or any other mark or a combination thereof, used or is intended to be used, either in distinguishing goods, products or services whatever their origin is, or to show that goods or products are owned by the mark owner by virtue of their manufacture, selection or dealing in, or to indicate the performance of a service.

Sound is considered a part of the trademark if it accompanies thereto.

Public Morals/Public Order Issues Affecting Registrability

Article 3 identifies some marks which cannot be registered in the UAE. Article 3(2) of the UAE Trademark Law classifies as unregistrable “[a]ny mark violating the public morals or desecrating the public order.” Most nations’ trademark laws similarly prohibit the registration of certain objectionable marks.

In the United States, Section 2(a) of the Lanham Act, 15 U.S.C. § 1052(a), bars the registration, *inter alia*, of marks consisting or comprised of “immoral, deceptive or scandalous matter” or which would bring institutions or beliefs “into contempt or disrepute.” Thus, “Madonna” as a trademark for wine was refused registration as “scandalous” in an older case,³² while a colloquial term for a sexual act was denied registration as “immoral” or “scandalous” more recently.³³

³¹ Additionally, there are some Gulf Cooperation Council provisions dating from 2007, but they do not purport to supersede national legislation.

Even prior to the adoption of a trademark statute, the UAE had developed case law drawing on Islamic jurisprudence which barred what common law jurisdictions would call passing off. Amir H. Khoury, n.2 *supra*, at p. 203 (quoting Azmi, Maniatis and Sodipo, “Distinctive Signs and Early Markets: Europe, Africa and Islam,” in Alison Firth, ed., *Perspectives on Intellectual Property: The Prehistory and Development of Intellectual Property Systems*, vol. 1, p. 151 (Sweet & Maxwell: 1997)).

³² *In re Riverbank Canning Co.*, 95 F.2d 327 (C.C.P.A. 1938).

³³ *In re Boulevard Entertainment, Inc.*, 334 F.3d 1336 (Fed. Cir. 2003); accord *In re Luxuria s.r.o.* (T.T.A.B. No. 79055664, September 19, 2011)(sustaining examining attorney’s refusal to register trademark for a bottle the shape of which resembled vulgar hand gesture). On this topic see generally Theodore H. Davis, Jr., “Registration of Scandalous, Immoral and Disparaging Matter Under Section 2(a) of the Lanham Act: Can One Man’s Vulgarity Be Another’s Registered Trademark?” 54 *Ohio St. L.J.* 331 (1993).

Plainly, the United States and the United Arab Emirates apply different standards in determining what violates public morals. The U.S. Principal Register contains a variety of marks featuring sexual innuendo which might not pass muster in the UAE.³⁴ Similarly, Germany recently allowed a word mark highly suggestive of an obscenity to be registered, finding it not violative of public morals although in poor taste.³⁵

Famous Mark Issues

Article 4 places limits on the extent to which a famous mark, already registered elsewhere, can be registered in the UAE by anyone other than the owner of the original mark. This kind of provision prevents “mark hijacking.”³⁶ The famous mark rule, adopted by UAE law, is an exception to the typical territorial nature of trademark protection and has long been recognized in the Paris Convention.

By contrast, its application in the United States is unclear. Historically, only use within the United States was considered to be of legal significance for American trademark purposes. In a case involving a supermarket chain which already was famous in Mexico and then expanded its operations into California, but only after an unrelated American grocery firm had begun to use the same name, the Ninth Circuit Court of Appeals applied the famous mark doctrine essentially as a matter of public policy to deny protection to the American grocery firm, despite its temporal priority of use in the United States.³⁷ More recently, however, the Second Circuit Court of Appeals considered and rejected that view as to federal law, although the door was left open to its application as a matter of New York State misappropriation law.³⁸ As a practical matter, in an age

³⁴ See, e.g., “Hooters” for restaurant and cocktail lounge services (Reg. 1557380).

³⁵ “German Trademark Victory Is a Big F***en Deal,” <http://brandemand.com/home/post/2011/09/14/Ficken-German-Trademark-Victory.aspx> (last viewed on September 20, 2011).

³⁶ For example, in 1966, an individual registered some 300 prominent brand names which he did not own, including DuPont, Sears and CBS, in Monaco. “Beware of International Brand Piracy,” Harvard Business Review (March, 1980), p. 52.

³⁷ Grupo Gigante SA de CV v. Dallo & Co., Inc., 391 F.3d 1088 (9th Cir. 2004).

³⁸ ITC Ltd. v. Punchgini, Inc., 482 F.3d 135 (2d Cir.), cert. denied, 552 U.S. 827 (2007), ITC Ltd. v. Punchgini, Inc., 518 F.3d 159 (2d Cir. 2008) (following New York Court of Appeals’ response to certified question). As to New York law on this point, see ITC Ltd. v. Punchgini, Inc. 9 N.Y.3d 467, 850 N.Y.S.2d 366 (2007) (on certification from Second Circuit to address issues of New York law), confirming the validity of a line of cases dating back to Maison Prunier v. Prunier’s Rest. & Café, 159 Misc. 551, 288 N.Y.S. 529 (Sup. Ct. N.Y. Co. 1936), one of which was discussed in Grupo Gigante, supra, 391 F.3d at 1095.

where the global availability of internet postings potentially can establish use in the United States, the “famous mark” question may be less of an issue.

The fact scenario’s hypothetical LVMHotel brand may encounter difficulty on famous mark grounds in attempting to register in the UAE. There already is a world-famous company whose initials are LVMH: Louis Vuitton Moet Hennessy.³⁹

Trademark and Branding Issues In the Franchising Context

Franchising adds another important element to the mix. In a typical domestic U.S. franchise agreement, the franchisee will be granted a license to use the trademarks, and perhaps other intellectual property, of the franchisor, as long as the franchise is in force. If for some reason the franchise ends, the former franchisee will be obliged to cease using the trademarks and to “de-identify” the formerly franchised business. Consequently, some of my colleagues at Schiff Hardin wind up suing former franchisees of hotel chains whose franchises have been terminated but who refuse to remove the chain’s logos and trademarks from their hotels.⁴⁰ However, if a franchise-type agreement in the UAE is unregistered, it does not fall within the UAE’s Agency Law.⁴¹ The UAE courts are barred, outright, from addressing issues arising under an unregistered agreement.⁴² Even if an agreement is registered and then terminated, however, the franchisee-agent may be able to claim substantial compensation for the termination.⁴³

³⁹ While there are numerous U. S. registrations for “Louis Vuitton,” see, e.g., Reg. 3004444, and related marks such as “LV,” see, e.g., Reg. 2909002, there does not appear to be a U.S. registration for Louis Vuitton Moet Hennessy. There was a U.S. registration for “LVMH,” but it was cancelled in 2004. Reg. 2826945 (cancelled). Moreover, Louis Vuitton Moet Hennessy already has an Alpine resort hotel, has created a unit, “LVMH Hotel Management,” to run two planned resorts in the Middle East and recently was reported to have been a potential bidder for the 25-hotel Indian luxury resort chain Armanresorts International. Reuters, “LVMH signs luxury hotel deal with Orascom Holdings,” April 8, 2010 at www.reuters.com/article/2010/04/08/lvmh-idUSLDE63719L200100408 (last viewed October 1, 2011); Reuters, “LVMH eyes India’s DLF hotel chain - report,” September 6, 2011 at www.Reuters.com/article/2011/09/06/dlf-lvmh-idUKL3E7K62VB20110906 (last viewed October 1, 2011).

⁴⁰ See, e.g., Days Inn Worldwide, Inc. v. Lincoln Park Hotels, Inc., 500 F. Supp.2d 770 (N.D. Ill. 2007)(after earlier injunction against direct infringer, court awarded summary judgment against the franchisee who sold the facility with the chain’s signs still up, on a contributory infringement theory).

⁴¹ Federal Law No. 18 of 1981.

⁴² Id., Article 3.

⁴³ See generally Melissa Murray, “Compensation for Goodwill on Termination of a Franchise or Distribution Agreement: A UAE Perspective,” available at <http://www.hadefpartners.com/news/padeid/120-137/default.aspx?Mediad=184> (July 12, 2011) (last viewed July 13, 2011).

UAE law specifically requires a trademark license to be in writing and further requires recordation of the license. Additionally, the winning hotel chain will want to take advantage of the provision of Emirati law which, as in the United States, allows use of the mark by a franchisee or licensee to inure to the benefit of the mark owner.

The ultimately winning hotel chain not only will want to, but will have to, maintain control over the quality and nature of the use of its marks and the associated provision of services and goods on the ground in Dubai. In most countries, licensing without such quality control can prove fatal to a trademark.⁴⁴ For Star of India, which plans to own and operate the Dubai hotels it proposes, that's merely an internal issue. But for Globotel, which always employs a franchise methodology, and for LVMHotels, which does not always own its branded hotel properties, this will require attention in the documents governing the relationship between the franchisor and the franchisee or between the chain and the operator.

Other Trademark Issues

Article 6 accords the right to register trademarks to foreigners doing business in the UAE or in other nations affording Emirati nationals reciprocal rights. The UAE term of registration is ten years, renewable for an unlimited number of further ten-year terms.⁴⁵

Articles 30-34 concern the licensing of trademarks. Any such license must be registered in the UAE trademark register.⁴⁶ The statute explicitly recognizes the ability to incorporate into a license the licensor's power to impose quality control conditions, and also to include the licensee's obligation to prevent actions which would diminish the value of or cause harm to the products or services bearing the licensed trademark.

There may be other issues arising from the fact scenario which will require attention from a branding and trademark perspective. For example, both hotels will have distinctive physical appearances. In the United States, the shape of a building can serve

⁴⁴ For a recent U.S. example of "naked licensing" which led a court to find the mark at issue had been abandoned, see Eva's Bridal Ltd v. Halanick Enterprises, Inc., 639 F.3d 788 (7th Cir. 2011).

⁴⁵ Article 19.

⁴⁶ Article 31.

as a trademark.⁴⁷ Will there be a desire to protect the iconic exterior appearances of the Fashion City and Green City hotels by trademark? If so, and if the chain will not be the owner of the properties, who will control the marks protecting the buildings' appearances — the chain or the franchisee — particularly when the relationship comes to an end?

III. BRANDING

Branding is related to trademarks, but it encompasses a much broader scope. A trademark is a symbol identifying the source of the product or service, but trademark protection does not turn on the nature of the associations potential consumers make with the mark. The existence of such associations can play an important role in establishing whether a mark has acquired secondary meaning, however. Even a generic mark — such as a brand name like “Fast Burgers” — can be protected if it can be shown that the brand name has been sufficiently recognized and promoted that the public's primary association with the mark is as an indicator of source. The critical element is the distinctiveness of the association with source. Indeed, the same trademark may inspire widely divergent reactions among different market segments, even though all the segments understand it to refer to the same source.

The focus of branding is on defining the customer experience of the goods or services and keeping it uniform. As two U.S. academics told a conference at Cornell's Center for Hospitality Research, the essence of a brand is the experience connected with it. Hospitality firms in essence are selling multi-faceted experiences.⁴⁸ Indeed, a single hospitality company may offer multiple experiences through multiple brands:

[Don] Elliott [Starwood Vice President for India, Nepal and Bangladesh] says Starwood's strategy has always been to build distinct brand identities. This it does by focusing on psychographic and not demographic distinctions between guests. “Our brand identities are

⁴⁷ McCarthy § 7:101 at nn. 7-8. The design of McDonald's drive-in restaurant buildings is trademarked in the United States (Reg. No. 764,837).

⁴⁸ “Building Brands in the Internet Age: Analytics, Loyalty and Communication,” vol. 3 Cornell Hospitality Research Summit Proceedings, No. 5 at 8 (May, 2011)(citing Michael LaTour and Kathryn LaTour, both of the University of Nevada, Las Vegas). “As was noted in previous sessions, [Cornell Professor Robert Kwortnik] pointed out that the 20th century notion of a brand (based on product and service attributes) has evolved in this century into providing experiences that customers seek. In keeping with the research presented by the LaTours and by Laurence Bernstein, this 21st century brand operates subjectively, and is dependent on customer psychological and sensory perception. All of these factors combine to create an experience. The good experiences connected with a brand induce emotions, create meaning, and make memories.” Id., at 12.

very strong and guests tend to be loyal to a particular brand." Someone who prefers a W, for instance, described, even in corporate language as flirty, seductive and sexy, is hardly likely to go for a bespoke St. Regis, however exclusive that may be, or a hotel from the Luxury Collection that often sells an indigenous or heritage experience; and certainly not to a Meridian, where, in keeping with the French roots of the brand, the emphasis is on culture. Each brand, thus, has a different positioning that caters to different types of guest psychographics.⁴⁹

There has been "an explosion of brands" over the last few decades in the United States lodging industry.⁵⁰ Research in the hotel field specifically suggests that effective branding correlates with profitability. A summary of a study by two Pennsylvania State University professors concluded: "Our findings provide additional support for the power of branding in influencing a hotel's bottom line. . . . This finding is consistent with the notion that well-established brands create financial value due to their ability to generate cash flows via relatively higher margins."⁵¹

Branding expansion is not limited to the United States but is a global phenomenon. Branding is a familiar concept in Dubai. Indeed, commentators have written extensively about the Emirate's assiduous efforts to develop a global reputation for the city as the cultivation of "Brand Dubai."⁵² Shariah-compliant hospitality services may offer significant branding opportunities in MENA nations. Not only did the World Tourism Organization report in 2010 that Middle East tourism was growing at a 10 percent annual rate, it has been suggested that emphasizing Islamic cultural aspects of the tourism experience may be particularly important in the UAE. "'Islamic hospitality is important for the growth of the UAE's tourism market,' said Dr. Marcus Stephenson, Associate Professor of tourism management at Middlesex University Dubai 'Given

⁴⁹ Anoorathi Vishal, "Tweaked to please," Business Standard (August 4, 2009) p. 3, 2009 WLNR 14979587.

⁵⁰ David J. Kwun, "How extended hotel brands affect the Lodging Portfolio," 9 Journal of Retail & Leisure Property No. 3 (2010), at p. 79.

⁵¹ John W. O'Neill and Anna S. Mattila, "Strategic Hotel Development and Positioning: The Effects of Revenue Drivers on Profitability," Cornell Hotel and Restaurant Administration Quarterly 146, 152 (May, 2006). Other studies suggest "branded hotels outperform non-branded properties on performance indicators such as average price, level of occupancy, revenue per available room, revenue per available customer and return on investment" as well as showing a "positive relationship between brand success (i.e., brand equity) and financial performance in the luxury hotel sector," while hotel company CEOs recognized that brand equity drives share price and stockholder equity. Kevin Kam Fung So and Ceridwyn King, "'When experience matters': building and measuring hotel brand equity – the customer's perspective," 22 International Journal of Contemporary Hospitality Management No. 5 (2010) 589, 590 (citations omitted).

⁵² Syed Ali, Dubai: Gilded Cage (Yale University Press : 2010), pp. 32-80.

that the hospitality industry is a social and cultural institution it can then be about taking into consideration the religious dimensions of the host culture.”⁵³ A few other examples of the numerous recent hospitality branding efforts worldwide include Jumeirah Group’s Venu nameplate, a luxury lifestyle hotel the “Local Soul” tag line for which will convey an emphasis on sense of place, and numerous fashion-related hospitality ventures by designers such as Giorgio Armani (including in Dubai in the Burj Khalifa), Moschino and Elisabetta Gucci (in Dubai Media City),⁵⁴ Gianni Versace (including one Palazzo Versace set to open in Dubai Culture Village in 2012),⁵⁵ Missoni and Bulgari, among others.⁵⁶

Presumably, part of the branding experience for the hypothetical travelers in our fact scenario who are drawn to LVMHotels through its affinity programs for green groups is the ecofriendly nature of the hotels. LVMHotels’ strict enforcement of the Green Leading Operating Principles [GLOP] certainly suggests that. How much can LVMHotels allow a Dubai location in its chain to depart from GLOP before its customers no longer feel like they are getting the same experience in Dubai as they had in Hong Kong or Berlin?

Globotel seems to cultivate a saucy “wink wink, nudge, nudge, we’re in on the joke” aspect to the experience it expects its customers to have of its brand. Can it expect to maintain that brand experience quite so saucily while also tacking to the standards of a socially conservative nation that places great emphasis on dignity and self-restraint in public?

In that context, consider this quotation from a portion of Section 1.2, titled “Dignity,” of the Dubai Code of Conduct, promulgated in March, 2009: “In all public places such as streets, shopping malls and restaurants, shorts and skirts shall be of appropriate length. Moreover, clothing shall not indecently expose parts of the body, be transparent, or

⁵³ Rania Moussly, “Islamic hospitality careers beckon youth,” The Gulf News (March 27, 2011)(viewed at <http://gulfnews.com/mobile/news/gulf/uae/education/islamic-hospitality-careers-beckon-youth-1.783238> (last viewed on September 26, 2011). See Marcus L. Stephenson, Karl A. Russell, David Edgar, “Islamic hospitality in the UAE: indigenization of products and human capital,” 1 Journal of Islamic Marketing 9 (2010).

⁵⁴ Tara Mastrelli and Stacy Shoemaker Rauer, “Brand New,” Hospitality Design (September, 2010), pp. 131-36.

⁵⁵ “Palazzo Versace Dubai 80% completed,” The Dubai Chronicle (May 17, 2011) at <http://www.dubaichronicle.com/2011/05/17/palazzo-versace-dubai-80-completed> (last viewed October 1, 2011).

⁵⁶ Booth Moore, “Designers move into the hotel business,” The Los Angeles Times (July 16, 2010) at articles.latimes.com/2010/jul/16/image/la-ig-designerhotels-20100713 (last viewed October 1, 2011).

display obscene or offensive pictures and slogans.”⁵⁷ This has been an aspect to which various Western clothing and lingerie brands for women have had to give special attention when selling in the Middle East.⁵⁸

IV. CONCLUSION

The conclusions about how trademark and branding issues should affect the outcome of the hypothetical RFP in the fact scenario will be for the Dubai Conference participants to judge. In the meantime, the following can be stated by way of summary:

1. Trademarks enjoy protection under UAE law which generally resembles that familiar to intellectual property practitioners in other jurisdictions.
2. Some express differences which would strike a lawyer familiar with the law in the United States are that the UAE is a “first filed” rather than a “first use” jurisdiction; the UAE recognizes the “famous mark” doctrine and bars the UAE registration of a famous mark already registered elsewhere by anyone but the original owner; and UAE law requires recordation of trademark licensing agreements.
3. Some significant differences in practice also may be found, notably in how provisions barring registration of some objectionable marks are construed and the ease with which trademark licenses can be terminated.
4. As to branding, the UAE is a sophisticated and experienced venue for marketing. As anywhere, however, marketers must be cognizant of local norms. What is clever or accepted as a matter of course in Durban may raise hackles in Dubai, just as what’s popular in Paris may not play in Peoria.

⁵⁷ <http://www.dubaifaqs.com/dubai-code-of-conduct.php> (last viewed October 1, 2011).

⁵⁸ See Karyn Monget, “Mideast Sellings: Brands Decipher Religion, Culture,” Women’s Wear Daily, November 18, 2010, p. 6 (“You have to have patience and partnerships,” said Lily Arhomand, former general merchandise manager of Saks Fifth Avenue in Dubai, who is now a brand and merchandising consultant in New York. Citing the religious and cultural variables, she said, ‘Navigating this maze is difficult for many brands and retailers. Even to do ads for Dolce & Gabbana in Dubai we had to Photoshop long sleeves on evening gowns, and we had to get approval from both D&G and the local government before running the ad.’”).

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Amendment of the UAE Trademarks Law

Federal Law No. 8 for the year 2002 amending Articles of the Federal Law No. 37 for the year 1992 (both the old Law and the new amendments inserted)

We, Zayed Bin Sultan Al Nahyan, President of the United Arab Emirates, after the perusal of the provisional constitution, and:

- The Federal Law No. (1) of 1972 regarding the fields of specialization of the Ministries, and the specialties of Ministers, and the laws amending thereof,
- The Federal Law No. (4) of 1979 regarding the suppression of fraudulence and deception in the commercial dealings,
- The Federal Law No. (5) of 1985 regarding the issuance of the law of the civil dealings and the laws amending thereof,
- The Federal Law No. (3) of 1987 regarding the issuance of the Criminal Law

and according to the presentation of the Minister of Economy and Commerce, the approval of the Council of Ministers and the ratification of the Supreme Council of the Federation,

We have issued the following Law:

ARTICLE (1)

In the application of the provisions of this law, the following words and phrases shall have the meanings shown against each of them, unless the context otherwise indicates:

- The State : The United Arab Emirates
- The Minister : The Minister of Economy and Commerce
- The Ministry : The Ministry of Economy and Commerce
- The concerned authority : The concerned authority of the Emirate.
- The Journal : Trademark Journal issued by the Ministry.
- The drawing : Each design containing a group of visions (any artistic formation).
- The symbol : The visible drawing.
- The emblem : The engraved marks.
- The inscriptions : The protruding marks
- The photos : Man's photos, whether the photo of the project owners or of others.
- The Register : Trademark Register at the Ministry.
- The committee : The Trademark Committee, provided for in the Law.

ARTICLE (2)

A trademark is anything which takes a distinctive form whether names, words, signatures, letters, figures, drawings, symbols, titles, tax stamps, seals, pictures, inscriptions, advertisements or packs or any other mark or a combination thereof, used or is intended to be used, either in distinguishing goods, products or services whatever their origin is, or to show that goods or products are owned by the mark owner by virtue of their manufacture, selection or dealing in, or to indicate the performance of a service.

Sound is considered a part of the trademark if it accompanies thereto.

ARTICLE (3)

The following shall not be registered as a trademark or as a component thereof:

1. The mark, which is devoid of any distinctive character or property, or the mark, which consists of mere denominations called by the tradition on goods, products or services, or familiar drawings and ordinary pictures of goods and products.
2. Any mark violating the public morals or desecrating the public order.
3. The public emblems, flags and other symbols pertaining to the State, Arab or international organizations or any institutions thereof, or any foreign country unless having an authorization therefrom, or any imitation of such emblems, flags or symbols.
4. Symbols of the Red Crescent or the Red Cross and other similar symbols as well as the marks, which are imitations thereof.

5. Marks, which are identical or similar to the symbols of pure religious nature.
6. Geographical names where the use thereof may cause confusion as to the origin or source of the goods, products or services.
7. The names, surname, photograph or emblem of a third party, unless he or his heirs' prior consent to use has been obtained.
8. Particulars pertaining to titles of honor which registration applicant cannot prove that he is lawfully entitled thereof.
9. Marks which may mislead the public or which contain false data as to the origin or the source of products or services, or about their other characteristics, as well as marks containing an imaginary, imitated or forged trade name.
10. Marks owned by natural or legal persons, dealing with whom is prohibited.
11. Mark, the registration of which for some classes of products or services may diminish the value of other products or services distinguished by such mark.
12. Marks containing the following words or phrases: "Privilege", "Privileged", "Registered", "Registered drawings", "Copyright" or "Imitation is forgery" or similar words and phrases.
13. National and foreign decorations and metal and paper currencies.
14. A trademark considered as a translation of a famous mark or another previously registered trademark if registration of that mark will result in confusing the consumer public as to the goods distinguished by the mark or other similar goods.

ARTICLE (4)

1. Trademarks of international reputation, which goes beyond the borders of the original country of the trademark to other countries, shall not be registered, unless so requested by its original owner, or by an official power of attorney from the original owner.
2. The degree of knowledge or recognition of the mark in the relevant sector of the public is essential in determining how famous the trademark is.
3. A famous trademark may not be registered to distinguish goods/services not identical to those distinguished by these marks if:
 - a. Use of the mark implies a connection between the goods/services to be protected and the goods/services of the owner of the original trademark.
 - b. Use of the mark may result in damaging the interest of the owner of the original trademark.

ARTICLE (5)

There shall be prepared in the Ministry a register called "Trademark Register", wherein all trademarks, names and addresses of their owners, kind of their activity, descriptions of their goods, products or services shall be entered, as well as change, transfer, assignment, mortgage, license or any other amendments are made thereof.

Any person may ask for a true copy of what is registered in the Register after the payment of the prescribed fees.

ARTICLE (6)

The following persons shall have the right to register their trademarks:

1. Natives of natural or legal entity, practicing any of the commercial, industrial, professional, or service business.
2. Foreigners of natural or legal entity, practicing any of the commercial, industrial, professional, or service business in the State.
3. Foreigners of natural or legal entity practicing any of the commercial, industrial, vocational or service business in any state having reciprocity of treatment with the State.
4. Public legal persons.

ARTICLE (7)

Any person desiring to use a trademark to distinguish goods, products or services, may apply for its registration in accordance with the provisions of this Law.

A trademark application shall be filed at the Ministry under the conditions and terms provided in the Implementing Regulations.

ARTICLE (8)

A trademark may be registered in one or more of the classes of products or services according to the International Classification and its provisions, which the Implementing Regulations specify. However, a trademark application shall not include more than one class.

ARTICLE (9)

It may be possible to file one application for the registration of a group of marks which are identical in their substantial elements, and which their differences are in things that do not affect their entity substantially as the color of marks, or the details of products or services related therewith, provided that such products or services belong to one class.

ARTICLE (10)

Without prejudice to the provision of Article (26) of this Law, it shall not be allowed to register any trademark which is identical or similar to a trademark previously registered for the same classes of products or services, or non-similar class of goods and services if using the trademark may generate the impression of a connection between the goods and services to be registered and those of the owner of the registered mark, or if using the trademark to be registered may damage his interests.

Where two or more persons apply simultaneously for the registration of the same trademark or closely similar or identical trademarks in respect of the same class of products or services, the Ministry shall suspend the registration of all applications until an assignment attested by the disputed parties in favor of one of them is produced, or until a final judgment is rendered in favor of one of them.

ARTICLE (11)

The Ministry may impose whatsoever restrictions and modifications it may consider necessary for defining and clarifying the trademark in a manner to prevent confusion with another already registered mark or for any other reason it may deem fit. Confusion is presumed in case of using a trademark to distinguish identical classes of goods or services. Where for a certain reason the Ministry rejected a trademark or suspended registration on restrictions or modifications, the Ministry shall notify the applicant in writing of the reasons for such decision.

In all cases, the Ministry has to determine the registration application within thirty days from filing date whenever it fulfills the conditions and terms specified in this Law and its Implementing Regulations.

ARTICLE (12)

The registration applicant whose application was rejected or its acceptance has been suspended on a condition may appeal against such decision to the Committee within thirty days with effect from the date of notifying him therewith.

In case the Committee supported the Ministry's decision of rejecting the application or suspending its acceptance on the fulfillment of some conditions, the registration applicant may appeal against the committee's decision before the concerned civil court within sixty days with effect from the date of notifying him therewith.

The registration applicant shall be considered to have abandoned his application if he does not appeal against the Ministry's decision or does not appeal against the Committee's decision within the dates prescribed in this Article, or he does not implement the restrictions or conditions set by the Ministry during the period mentioned in the notification given to him in this respect.

ARTICLE (13)

There shall be a Trade Mark Committee formed under the chairmanship of the Under-Secretary of the Ministry of Economy and Commerce and the membership of the following:

- Two representatives from the Ministry chosen by the Minister,

- A member of the Board of Directors of the Federation of UAE Chambers of Commerce and Industry nominated by the Federation,

- A member of the Board of Directors representing each Chamber of Commerce and Industry in each Emirate nominated by the concerned chamber.

The Committee shall choose from its members a Deputy-Chairman, and its meetings are held in full in the presence of the majority of its members, and decisions are made by the majority of those in attendance. In case of an even vote, the party of the Chairman shall out weigh the other party. The Committee shall meet once every month. The Committee shall have a rapporteur chosen by the Ministry. Members of the party and the rapporteur shall be awarded based on a decision made by the Cabinet Counsel.

ARTICLE (14)

In case the Ministry has accepted the trademark, it has to publish the trademark in the Trademark Journal and in two daily newspapers issued in the State, before registration, at the expense of the registration applicant.

Any interested party may object the registration of a trademark, and submit the written opposition to the Ministry, or send it to the Ministry by registered mail within thirty days from the date of last publication. The Ministry shall notify the registration applicant with a copy of the opposition to his application within fifteen days from the date of receiving such opposition.

The registration applicant has to file a written counter statement to such opposition to the Ministry within thirty days from the date of being notified with the opposition. If the counter statement is not received within the prescribed term, the applicant shall be deemed to have abandoned his application.

ARTICLE (15)

Before deciding the oppositions submitted, the Ministry shall hear the sayings of both parties or the party requesting such hearing.

The Ministry shall issue a decision rejecting or accepting the registration. It may determine whatever limitations or conditions deemed fit in the latter case.

Any interested party may petition before the Committee against the Ministry's decision within fifteen days from the date of being notified therewith. He may appeal against the Committee's decision before the concerned civil court within thirty days from the date of being notified with the decision.

It shall not entail appeal of a decision of accepting the trademark registration that the registration procedures should be stopped unless the concerned court decides otherwise.

ARTICLE (16)

The trademark when registered, its registration shall be with effect from the application filing date.

The owner of the trademark shall, on completion of its registration, be furnished with a certificate containing the following particulars:

1. Registration number of the trademark.
2. Application filing date and registration date.
3. Trade name, or the name of the trademark owner, his nationality and domicile.
4. An identical copy of the trademark.
5. Statement of the products, goods or services for which the mark is assigned, and their class.
6. Number and date of the International Priority and the name of the member country of the Paris Convention for the Protection of Industrial Property in which the priority application was filed.

ARTICLE (17)

Whoever applies for the registration of a trademark shall be deemed the exclusive owner thereof, and the ownership of a trademark may not be contested if it is used ceaselessly by the person who applied for its registration for at least five years from the date of registration without a case raised against him detesting his ownership of the mark.

The owner of a registered trademark shall have the right to prevent others from using an identical or similar trademark to distinguish identical or similar or related goods or services to those distinguished by the registered trademark in a manner that may mislead the consumer public.

ARTICLE (18)

The owner of a previously registered trademark may, at any time, apply to the Ministry to add or amend the list of goods or services distinguished by such trademark, or to amend such trademark in any manner not substantially affecting its identity. The Ministry's decision in respect of amending the list of goods shall

be issued in accordance with the conditions and provisions relating to the partial cancellation of a registration regarding part of the goods or services. As for the amendment of the mark, the Ministry's decision shall be issued according to the conditions and rules prescribed for the determination of the original registration applications, and such decision shall be subject to petition and appeal in the same ways. Such amendments shall be published in two local newspapers as well as in the Trademark Journal at the expense of the Applicant.

ARTICLE (19)

The protection period entailed by the trademark registrations is ten years. The trademark owner may secure the continuation of protection for consecutive periods, each of which is ten years, if he submits an application for the renewal of the trademark during the last year of the current protection period, in accordance with the conditions and terms mentioned in this Law and its Implementing Regulations.

The renewal of trademark registration shall be implemented without any additional examination, and without allowing others to object the renewal. The trademark registration renewal shall be published in the Trademark Journal and in two daily newspapers issued in the State, at the expense of the trademark owner.

In case of a trademark renewal application, the entry of any change of the trademark, or the addition of any products or services in the list of the products or services for which the trademark has been registered, shall not be permitted.

During the month following the expiration of protection period, the Ministry shall notify the trademark owner in writing, at his address appearing in the Register, of the expiration of validity thereof. If the trademark owner fails to apply for renewal within the three months following the expiration of protection period, the Ministry shall, of its own, cancel the trademark from the Register.

ARTICLE (20)

The owner of a trademark may apply to cancel its registration, whether for all or for a part of the products or services for which the trademark has been registered. The cancellation application shall be submitted according to the conditions and terms mentioned in the Implementing Regulations of this Law.

In case the trademark is licensed for use according to a contract, which has been entered in the Trademark Register, it should not be cancelled without a written consent from the licensee, unless the licensee assigns this right clearly in the license agreement.

ARTICLE (21)

Without prejudice to the provision of Article (17) of this Law, the Ministry or any interested party may apply for the cancellation of the trademark registration, which was unlawfully registered. The Ministry shall cancel the registration whenever it receives a final judgment thereof, accompanied by the implementing wording of the same.

ARTICLE (22)

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.

ARTICLE (23)

Upon the request of any interested party, the concerned Civil Court may order the addition of any particulars which might be ignored to be entered in the Register, the deletion or amendment of any statement entered unlawfully therein, or is inconsistent to the truth. The Ministry also has the right to make such amendments or deletions of its own accord.

ARTICLE (24)

The Ministry has to cancel the registration of the trademarks, which the Israeli's Boycott Office in the State has decided that they are similar or identical to an Israeli mark, symbol or emblem, as well as the trademarks owned by persons for whom a decision is issued prohibiting dealing with them.

ARTICLE (25)

A trademark cancellation from the Register shall be published in the Trademark Journal and two local newspapers at the expense of the Applicant.

ARTICLE (26)

If a trademark has been canceled, it shall not be permitted to have it reregistered in favor of others for the same products except after the elapse of three years as of the cancellation date.

ARTICLE (27)

Assignment, mortgage or attachment of the trademark ownership may be made with or without the commercial store or the enterprise using the mark for distinguishing the products or services thereof.

ARTICLE (28)

The transfer of the ownership of the commercial store or the enterprise includes the trademarks registered in the name of the assignor, and which can be in strong connection with the store or the enterprise, unless agreed for the otherwise.

In case the ownership of the commercial store or the enterprise has been transferred without the trademark, the assignor may continue using the trademark regarding the products or services for which the trademark has been registered, unless agreed for the otherwise.

ARTICLE (29)

The assignment or mortgage of a trademark shall not be deemed a proof against others unless entered in the Trademark Register and published in the manner set by the Implementing Regulations.

ARTICLE (30)

The trademark owners may, according to a written and attested agreement, give a license to one or more persons to use the trademark for all or some of the products or services for which the trademark has been registered, and the trademark owner may use it by himself unless agreed for otherwise.

ARTICLE (31)

License agreement for the use of a trademark should be entered in the Trademark Register. The license will have no effect to others unless it has been entered in the Register and published in the manner specified in the Implementing Regulations.

ARTICLE (32)

The licensee shall not assign the license to a third party or give sub-licenses unless the license agreement mentions otherwise. In all cases, a compulsory license to exploit the trademark shall not be mandatory.

ARTICLE (33)

Recording the license in the Register shall be cancelled therefrom according to a request of the trademark owner or the licensee after giving an evidence of the termination or the cancellation of the license agreement.

The Ministry shall notify the other party with the application filed to cancel the license. This party may oppose the cancellation application according to the procedures and situations mentioned in the Implementing Regulations.

ARTICLE (34)

The License agreement shall not include any texts, which may restrict the licensee with limitations not resulting from the rights entitled by the trademark registration, or not necessary to maintain such rights. However, the license agreement may include the following restrictions:

1. Specifying the range of the geographical area for marketing products or services bearing the trademark.
2. Nomination of the license period for using the trademark, considering the provisions of Article 31 of this Law.
3. Conditions, which warrant the quality control of products under the license, by the trademark owner.

4. The obligation of the licensee to prevent all actions, which may lead to lower the value of or cause harm to the products or services bearing the trademark.

ARTICLE (35)

Legal persons who work in the control or checking of some products or services regarding their origin, components, manufacturing method, quality or identity or any other property, may ask the Ministry for the registration of a mark specialized as an indication of performing the control and checking.

In all cases, the registration of such mark or its assignment shall be effected only by an approval from the Minister.

ARTICLE (36)

The Implementing Regulations shall specify the conditions and rules of the registration of the mark mentioned in the preceding Article, together with the documents to be attached with the registration application.

The registration of such mark shall result in all effects mentioned in this Law.

In case of the cancellation or non-renewal of such mark, it shall not be registered again for identical or similar products, goods or services.

ARTICLE (37)

Any person who commits any of the following acts shall be punished by an imprisonment and by a fine not less than (5000) five Thousand U.A.E. Dirhams, or by one of those penalties.

1. Whoever counterfeits a trademark, which is lawfully registered or imitates it in such a manner as to mislead the public, or uses in mala fide a counterfeited or an imitated trademark.
2. Whoever unlawfully uses a registered trademark owned by another party.
3. Whoever puts, in mala fide, a registered trademark owned by another party, on his products.
4. Whoever sells or offers for sale or circulation or possesses for the purpose of sale, products bearing a counterfeited or an imitated trademark, or unlawfully put, with his recognition.
5. Whoever intentionally offers rendering services under a forged, imitated or unlawfully used trademark.

ARTICLE (38)

Any person commits any of the following acts shall be punished by an imprisonment not exceeding one year, and by a fine not less than (5000) and not exceeding – (10000) Ten Thousands U.A.E. Dirhams, or by either of these punishments:

1. Uses a mark, which is inapplicable for registration according to the provisions of items 2, 3, 4, 5, 6, 8, 9, 10, 11 and 12, 13, 14 of Article 3 of this Law.
2. Writes a statement on his marks or trade papers, which leads to the belief that they have been registered or that they distinguish goods or services other than those mentioned in the Register.

ARTICLE (39)

Any person who commits for the second time one of the offences mentioned in Articles 37 and 38 of this Law, shall be punished with the same punishment in addition to the closure of his commercial store or enterprise for a period not less than fifteen days and not exceeding six months, together with the publication of the judgment on the expense of the convict, according to the procedures mentioned in the Implementing Regulations.

ARTICLE (40)

Any person incurred a harm as a result of any of the acts mentioned in Articles 37 and 38 of this Law may raise a case before the concerned Civil Court to ask the person who committed such act, for a compensation suitable with the harms thereof.

ARTICLE (41)

The owner of a trademark may, at any time, even before raising any civil or criminal claim, file a petition supported by an official certificate testifying the registration of the mark, to ask for an order from the concerned court, in order to take the necessary conservatory measures, in particular the following:

1. Making a gathering procès verbal and a detailed description of machines and instruments which are being or had been used in the committal of any of the offences mentioned in this Law, as well as local or imported products or goods, store signboards, envelopes or papers, etc. on which the mark, or the statement, the subject of the offence, may have been put.

2. Effecting the confinement on the things mentioned in the preceding item, after paying a money guarantee, to be fixed by the court, to compensate the person whose things have been seized, if deemed necessary.

The court may delegate one or more experts to assist in implementing the conservatory measures. Owners of famous trademarks are excluded from the provision of providing a registration certificate.

ARTICLE (42)

The impounded party shall be entitled to file a lawsuit demanding the impounding party to pay compensation within ninety days of the deadline mentioned in the final paragraph of Article (41) of this Law, if no court action was filed against the impounded party, or from the issuance date of the final verdict on the lawsuit filed against him. In both cases, the security deposit shall not be refunded to the impounding party except only after the issuance of a final judgment in the impounded party's lawsuit or after the elapse of the prescribed deadline without filing the lawsuit.

ARTICLE (43)

The court may, in any civil or criminal case, order the confiscation of the seized things or which may be seized later, and deduct their price from the fines or compensations, or for the disposal thereof in any other manner deemed fit by the court. The court also may order the destruction of the unlawful marks, or, if necessary, order the destruction of the products, envelopes, packing materials and other things which bear such marks or bear illegal statements, and machines and instruments used in particular in the act of counterfeit. The court may order all the above actions even in the case of acquittal. The court may also order the publication of the judgment in the Official Gazette or in one of the daily newspapers at the expense of the convict.

ARTICLE (44)

Owners of the trademarks registered or used into he United Arab Emirates, on the application of this Law, have to apply for their trademarks' entry in the Ministry's Register according to the provisions and conditions mentioned in the Law, during a period of one year from the date of the law's enforcement.

Those who have not fulfilled the conditions prescribed in this Law, should adjust their situations within one year from the date of the law's enforcement. In case the trademark has not fulfilled the conditions prescribed thereof within the period mentioned in the preceding paragraph, it shall be considered null by the power of Law.

The first user shall have the priority right to register his trademark during that period. In determining the first use, the following should be considered: its date of start, its continuation, its surrounding circumstances and the trademark registration action.

ARTICLE (45)

The Ministry has to notify the concerned authority in each Emirate and the Association of the Chambers of Commerce and Industry in the State, with the names of owners of trademarks registered in the Ministry, their particulars and any change, amendment or cancellation made thereof, within thirty days from the date of registration, change, amendment or cancellation.

ARTICLE (46)

Employees concerned with the control of the implementation of the provisions of this law and its by-laws, for whom a nomination decision from the Minister of Justice, in agreement with the Minister of Economy and Commerce and the concerned authority is issued, shall have the power of judicial capture officers. By this power, they shall have the right to enter places, activity of which is included in these provisions of this law, except places of accommodation, with the purpose of securing the implementation of its provisions and its Implementing Regulations and to seize the violating cases. Local authorities in the Emirates should offer facilities to those employees to enable them to carry out their work.

ARTICLE (47)

There shall be a decision issued by the Council of Ministers on the fees to be charged for the procedures to take place in accordance with the provisions of this Law.

ARTICLE (48)

Any provision, which is contradictory to, or conflicting with the provisions of this Law shall be nullified.

ARTICLE (49)

The Minister shall issue the Implementing Regulations and decisions necessary for the implementation of the provision of this Law.

ARTICLE (50)

This Law shall be published in the Official Gazette and come into effect three months as of the date of publication.

(2) A new Article No. (20)- repeated, is to be added to the Federal Law No. (37) for the Year 1992 above stated as follows:

" The Ministry has the right to cancel a trademark which has been unlawfully registered after informing the concerned parties of the cause of cancellation and allowing them to submit a defense of their rights.

Any concerned party may oppose the cancellation at the civil court within 30 days from the notice of cancellation".