

United Arab Emirates

Contributing firm
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Dubai is a key city for the launch and marketing in the Middle East of international brands, including luxury fashion. However, it has also emerged as an international transit centre for goods, mainly genuine, but inevitably with its lucrative business-friendly shipping and logistics capabilities, it has also become a re-export point for counterfeit goods. UAE seaports handle more than 10 million containers a year, with the majority of these passing through Jebel Ali. As a result, rights holders invest more in enforcement in the United Arab Emirates than in any other country in the Middle East and Africa. Dubai's ports and its state-of-the-art transport and free-zone infrastructure remain attractive to counterfeiters and transit traders. The increase in re-export trade may result in growth in counterfeit trade, so it remains an ongoing task for brand owners to enforce their rights. With this in mind, this chapter explores the

enforcement regime in the emirate of Dubai and the whole United Arab Emirates.

Legal framework

The first federal UAE law regulating trademarks was promulgated in 1992, followed by several amendments, the most important of which was a 2002 law to bring UAE legislation into compliance with the World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs). The law meets international standards of trademark protection and:

- provides for the registration of trademarks in respect of goods and services;
- recognises well-known marks; and
- affords broader protection to such marks.

Despite the somewhat late introduction of trademark legislation, the country has demonstrated an ability to learn quickly and has made recognised advancements in the IP enforcement area. The courts have laid

down principles establishing tests regarding what constitutes trademark use, infringement, confusing similarity, a well-known trademark and likelihood of confusion. In addition, the criminal courts issue confiscation and destruction orders and fines.

The United Arab Emirates is a signatory to various IP treaties, including:

- the Paris Convention for the Protection of Industrial Property;
- the Berne Convention for Literary and Artistic Works; and
- TRIPs.

The main piece of legislation for enforcement in this area is the Trademarks Law. However, other applicable UAE legislation provides various mechanisms to pursue enforcement against trademark infringement, including:

- the Civil Transactions Law;
- the Gulf Cooperation Council (GCC) Unified Customs Law;
- the Penal Code; and
- the Anti-fraud and Cheating Law.

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Border measures

Traditionally, rights holders have been concerned that the Trademarks Law does not explicitly empower Customs to exercise enforcement procedures against counterfeit products at borders. However, this is no longer the case since the UAE government signed and ratified the GCC Unified Customs Law. Pursuant to Article 55 of the law, UAE customs inspectors may investigate any consignment to ensure that it conforms with the declared information. Current UAE legislation allows customs officials to seize and hold goods that are counterfeit or that violate a trademark registered in the United Arab Emirates.

As the United Arab Emirates is a federal state comprising seven Emirates, customs enforcement is carried out by each emirate. For example, the borders of the emirate of Dubai are supervised, managed and regulated by the Dubai Customs Department, which has a structure distinct from the authorities in other emirates. Naturally, this practice reveals differences from one emirate to another in terms of border measures at all levels, including processes, efficiency, responsiveness and experience. No unified customs action can be filed with a single customs body. While some emirates' customs authorities accommodate complaints for trademark enforcement without requiring a supporting court order, others require a confirmed court order for seizure before stopping a container and examining its content.

For several years, the Emirates of Dubai, Sharjah and recently Abu Dhabi have established IP rights divisions within their respective customs departments. Dubai, Sharjah and Ras Al Khaimah already accept records of trademarks and action enforcement complaints. However, the customs IP rights system in Dubai differs

substantially from those of other emirates. Dubai Customs offers continuous training to customs inspectors and has a sophisticated anti-counterfeiting system in place.

From experience, extensive engagement with Customs proves successful in improving the level of monitoring at the border and enhancing enforcement outcomes. While the remedies imposed by Customs are confined to fines and compensation, depending on the emirate, this enforcement option avoids the need to go to court in order to seize and destroy counterfeit goods.

Criminal prosecution

Criminal complaints against counterfeiting activities can be pursued in the United Arab Emirates through either the police or the public prosecutor. In Dubai, the police have established a special department to deal with economic crime, commercial fraud and trademark infringement. After receipt of the criminal complaint, a public prosecutor transfers the matter to the police for investigation. If the police receive the complaint directly, it is referred to the public prosecutor for approval. On approval, the police will conduct a raid, collect the evidence, question the suspect and put the case before the public prosecutor. The prosecutor will hold further proceedings and interrogations and decide, depending on the facts and evidence, whether to transfer the case to the criminal court. At the hearing, only the public prosecutor and the defendant appear before the court. However, rights holders may be officially represented when filing a civil claim that is joined to the criminal complaint.

Criminal complaints are a deterrent by nature. The process of police inspection, interrogations and custody has proven to be a deterrent against traders which are not

threatened by the idea of paying a fine. The remedies ordered by criminal courts include fines and the confiscation and destruction of infringing goods. The penalties for infringement range from a minimum fine of Dh5,000 to a maximum term of imprisonment for three years. In practice, the penalty is almost always a fine.

Most key evidence is either lost or preserved at the time of the raid. If they have a strong legal presence during a raid, brand owners may manage to seize computer files which can establish the history of the counterfeiting operation and give them the names of suppliers and customers. This can be helpful when analysing data to identify targets for future raids. This information is also persuasive to the court when assessing damages and deciding which penalties to impose to deter further infringement.

Civil enforcement

A civil court action can be filed against an infringer jointly with a criminal complaint, after a criminal case has been decided or without initiating a criminal case. When only a civil remedy is being pursued, the rights holder can ask the court for attachment against the offending products. The rights holder must submit a copy of the UAE trademark registration certificate and submit evidence of the violation, along with other supportive evidence. If attachment is granted, the plaintiff (ie, the rights holder or its legal representative) must file a formal civil claim within eight days of the court's order on the motion for attachment, failing which the attachment will be revoked. The defendant may seek damages for illegitimate seizure and/or attachment.

In practice, the civil courts are reluctant to award high amounts of damages even in counterfeit cases. Rights holders should

always prove the actual tort and damages in order to claim compensation; otherwise, the court will order minimal damages (an average of Dh20,000 or \$6,000). There are no statutory or punitive damages, as the Trademarks Law makes no provision for such remedies.

Nevertheless, many rights holders seek damages in order to exert further pressure on trademark offenders and to recoup the costs incurred through the storage of counterfeit goods pending a court decision. Furthermore, filing a civil claim allows the rights holder to seek a travel ban against the infringer, provided that the relevant statutory conditions exist.

Administrative complaints and enforcement petitions

Most of the local economic development departments in the United Arab Emirates have established a special division to assure consumer protection and commercial compliance within their territory. The departments entertain administrative complaints against shops that trade, merchandise, manufacture or sell counterfeit goods. Dubai has taken the lead in this area: the Dubai Economic Development Department has set up a clear, efficient and accessible complaints system that allows UAE rights holders to enforce their rights promptly. Once the suspect shop has been declared to deal in counterfeit goods, fines will apply and will gradually increase until the shop temporarily closes. The Sharjah and Abu Dhabi departments have also made this enforcement option available.

In order for a complaint to be held admissible, documents and evidence proving that the goods are counterfeit and that the suspected shop is involved in distributing counterfeit goods are required. However, in practice, it is hard to pursue such actions in cases of 'lookalikes' or trade dress infringement as officials prefer to refer such disputes to the competent court.

For this type of enforcement, available remedies are fines and the confiscation or destruction of the counterfeit goods.

Anti-counterfeiting online

If a rights holder can prove a connection between the perpetrator of an online infringement and an entity or individual based in the United Arab Emirates, it can bring a court action against the online infringement. In some cases the website can be blocked until the court has issued a decision in the infringement case.

A specialist division of the police, tasked

with tackling electronic crime, investigates online links and websites involved with counterfeit goods in the United Arab Emirates. The division may take steps to block such links from access by UAE internet users, which may mitigate the damage caused by online counterfeiting.

Preventive measures and strategies

Rights holders can take several preliminary steps in the United Arab Emirates in order to support enforcement efforts. Such measures can vary, depending on the nature of the products at issue. However, in light of practice and precedents, the following strategies and measures are necessary to pave the way for a solid enforcement programme:

- Rights holders can record their marks with Customs and participate in awareness programmes organised by the enforcement authorities. The Dubai Customs Authority allows rights holders to record their UAE-registered trademarks. An application for recordal includes basic information about the trademark and pictures to demonstrate examples of use. Materials are saved electronically and remain accessible for all inspectors to review. It can also be useful to participate in workshops; although organising specific offsite training is recommended, it is difficult to gather all customs inspectors together outside the scheduled training workshops organised by Customs. These workshops are typically attended by field customs inspectors and enforcement officials from other government bodies; therefore, it is advisable for trademark owners to participate and enhance their profile with officials, thus helping to increase the level of awareness of the trademark.
- For fast-moving consumer goods, the rights holder is recommended to lodge a general complaint file with the administrative authority to enforce the trademark in the market. Such complaints remain valid for six months and allow raids to be conducted without naming a specific target.
- Trademark owners are recommended to obtain intelligence data in order to monitor the market and determine potential sources of counterfeits. From experience, the best market investigators are the brand owner's sales force.
- In addition to registering their trademarks, rights holders should consider registering three-dimensional marks, packaging and labels as trademarks. This is an important step in

combating passing off, as well as trade dress and lookalike infringements.

Although the United Arab Emirates is a small country, a considerable amount of enforcement is carried out there, mostly against counterfeiting. As the relevant law is relatively young, the enforcement regime has been developed through the proactivity of the government and the exceptionally high number of enforcement actions. Rights holders have contributed positively to the development of this regime and will continue to protect their rights in one of the world's hottest spots for counterfeit goods. Although brand owners must choose carefully in assessing which enforcement route to pursue and whether to invest in an anti-counterfeiting programme, the practice must be further developed so that the deterrent level suppresses counterfeit trade. In addition, the courts will need to increase the severity of their judgments in order to penalise offenders adequately. [WTR](#)

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Omar Obeidat is head of the IP and IT department. He specialises in securing and enforcing IP rights in the United Arab Emirates and the Middle East, and also has extensive experience in regulatory work and compliance, media law, data protection, consumer protection, pharmaceutical protection and free trade issues.

Mr Obeidat has been involved in training police and customs officers in respect of the IP rights enforcement laws, including in respect of counterfeit and lookalike products. He has advised the UAE government on a variety of legislation, including the Patents and Designs Law and the Plant Varieties Law, as well as laws relating to e-commerce transactions, data protection and intellectual property. His articles have been published widely and he is often invited to comment in the local and international media in respect of legal developments in the region.

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Munir Suboh specialises in the UAE IP and IT law and is familiar with general IP practice in the Middle East. He also has comprehensive experience in regard to trademark rights, enforcement, regulatory compliance, consumer protection, patents, media law, commercial agencies, licensing and general franchising.

Mr Suboh has been involved in training UAE officials, including Dubai customs inspectors and economic department officers, in respect of IP enforcement and awareness programmes. He has also advised several media companies on their IP rights, and handled media-related litigation and online infringement, anti-cybersquatting and domain name disputes. He has written various widely published articles on IP enforcement, disputes, precedents and regulatory amendments.