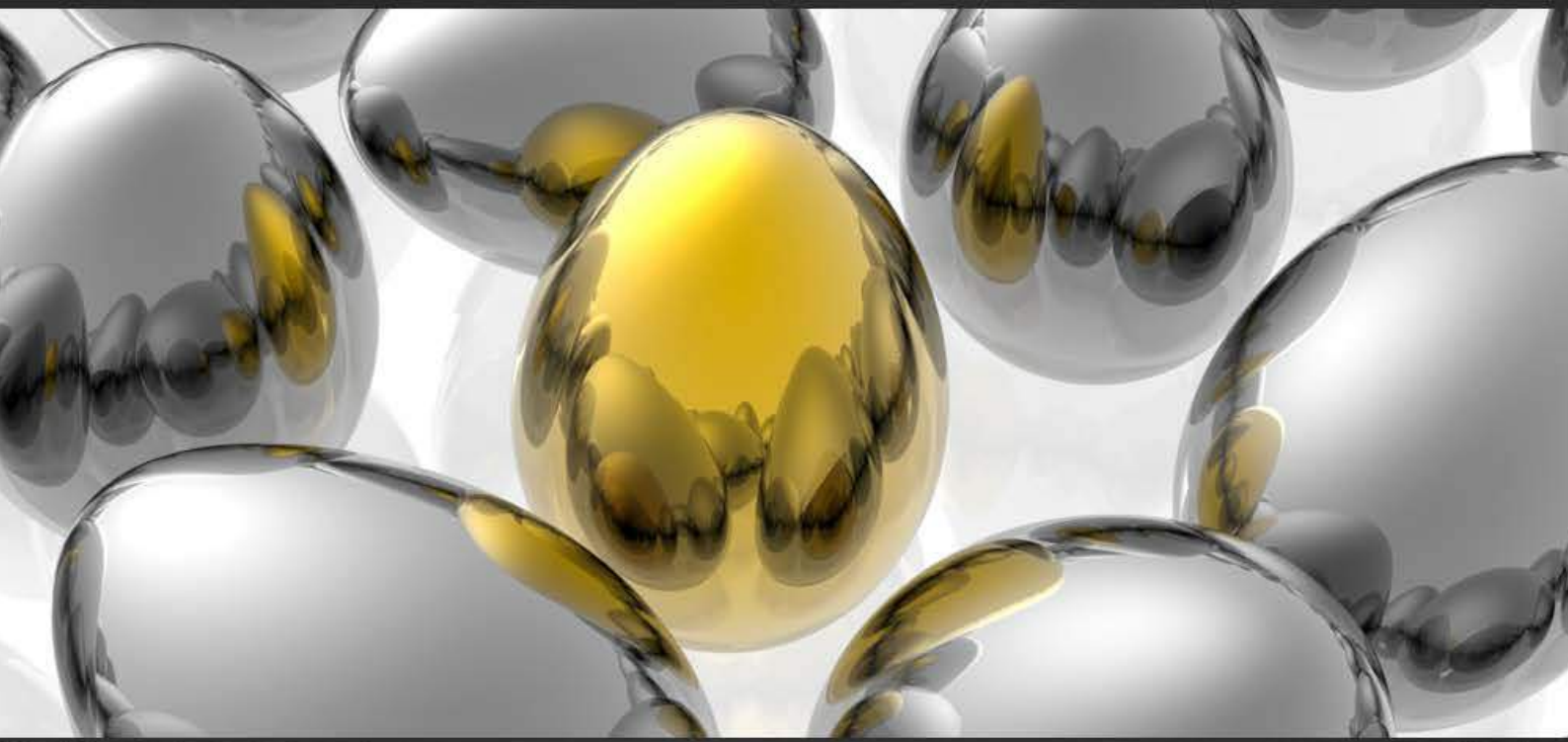


# **Intellectual Property Guide**

## **United Arab Emirates**



## **STA Law Firm**

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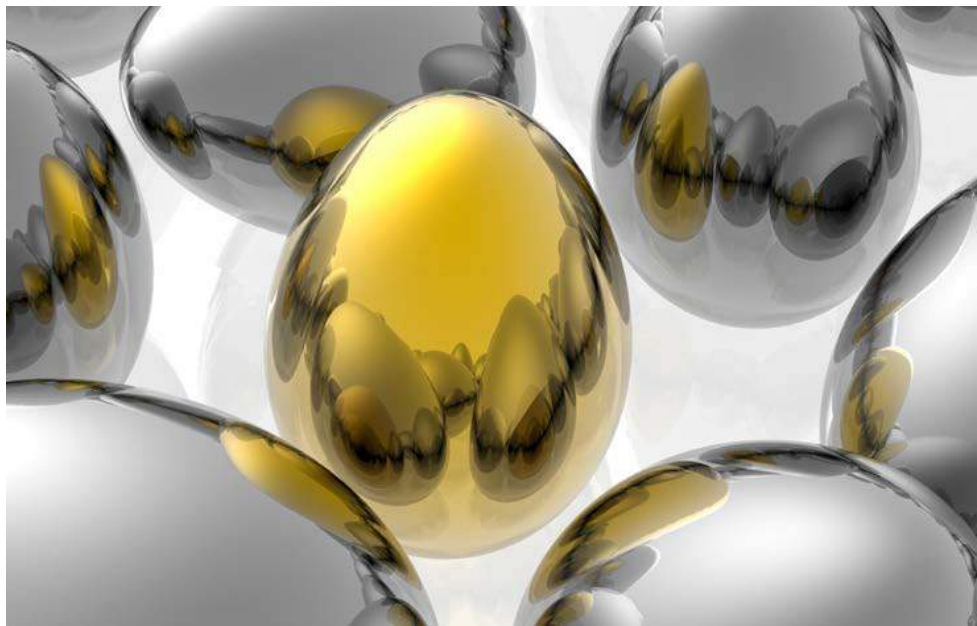
## Introduction

Vide Paris notification number 173 dated 19 June 1996 and issued pursuant to the Paris Convention for the Protection of Industrial Property, United Arab Emirates (the "UAE") became a member of the Paris Union. UAE's membership to the Berne Convention (Literary and Artistic Works) was officially recognized on July 14, 2004, and to the Rome Convention as of January 14, 2005. The country is also a member and signatory to TRIPS Agreement since April 1996. UAE entered in to membership of the Gulf Cooperation Council as of November, 1998.

The Intellectual property legislation of the UAE includes Patents and Industrial Design Law number 44 of 1992, Trademarks law number 37 as of 1992, Copyright and Neighboring Rights Law number 40 of 1992. The Industrial Property Office administers Patents and Designs under the supervision of the Industrial Property Directorate, Ministry of Finance and Industry. The Trademark Section administers Trademarks under the supervision of the Ministry of Economy. Copyrights are administered by the Copyright Department under the

supervision of the Ministry of Information and Culture.

Patent protection in the United Arab Emirates lasts for 20 years from the date of filing the original application. The Industrial Property Office administers Patents and Designs under the supervision of the Industrial Property Directorate, Ministry of Finance and Industry.



## Trademark Law & Registration

Generally speaking, the United Arab Emirates Federal Law number 37 of 1992 (the "Law") regulates the law on trademarks. The Law was subsequently amended by Law number 19 of 2000 and Law 8 of 2002, providing protection for registered trademarks. The law includes the definition of trademarks, signs that cannot be registered as trademarks, registration and cancellation procedures, transfer of ownership and mortgage, licensing others to use trademarks, penalties for trademark law infringement & general & transitory provisions.



## The United Arab Emirates

The United Arab Emirates (the **UAE**) received independence in 1971 and has a federal law regime. The country comprises of seven states, namely – Abu Dhabi, Dubai, Sharjah, Fujairah, Ajman, Ras Al Khaimah and Um Al Qwain. The rulers of the UAE comprise the Federal Supreme Council which is empowered to elect the country's President, Vice President and other members for every five year term.

With its unprecedented growth and persistent need for infrastructure, UAE is increasingly attractive for foreign investors. Until few years back, foreign entry into UAE was possible through partnership with local nationals. These partnerships have been subject to local laws and regulations. However, the UAE's accessions to the TRIPS, Berne and Rome Convention have created (and continues to create) new opportunities for foreign multinationals.

Expatriate investors and corporations intending to establish their [presence in the UAE](#) enjoy from a range of benefits. These include availability of world-class infrastructure, zero tax rates, easy availability of work-force and personnel, zero restrictions on transfer of capital and profits and so on. This article explains the intellectual property law of the UAE.

# Intellectual Property Law in the UAE

Much ink has been spilled in describing the pervasive and rapid urbanization of the Arabian Gulf in the late 20th century. Less attention has however been paid to the legal and regulatory development in light of growth and diversification witnessed in last two decades.

With its unprecedented growth and persistent need for infrastructure expansion, the United Arab Emirates has and continues to become increasingly attractive to foreign investors. UAE has also passed several jurisdictions in the GCC and, in that, foreign corporates and expatriate entry into the UAE is possible by owning one hundred percent shares in the name of foreign nationals in free zones such as the DIFC, Dubai Media City, JLT, DuBiotech and many others.

UAE's accession to WTO (10 April 1996) has created some positive effects on a medium and long-term, and further deregulation is anticipated in the coming years. For instance, for a foreign multinational active in the UAE, the future opportunities that arise from the implementation of WTO reforms will be of high relevance, and it is necessary to take this next development into account when strategies get formed.

The World Trade Organization is an influential player in the field of global governance. Interestingly, the WTO is the only international organization that deals with global rules of trade between member nations of the WTO. Since its creation in January 1995, it has expanded the reach of trade rules deep into the regulatory structure of almost 159 sovereign states (as of March 2013), affecting the daily lives of all citizens. The WTO is founded upon the organizational structure of the GATT and its secretariat - to a greater extent; it formalizes and extends the structure that had gradually evolved over 50 years.

UAE is a member of the Paris Union and has a comprehensive patent law that allows one to select from a wide range of innovations listed in the law.

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## **1 UAE Patent Law**

Federal Law Number 44 issued in 1992 and relating to the Industrial Regulation and Protection of Patents, Industrial Drawings, and Designs was replaced by Federal Law number 17 in 2002 and subsequently amended by the Federal law number 31 in the year 2006 (the Law). According to the Law, the Ministry awards patents to any new invention that results from an idea or step that is inventive in fact provided however that such concept is of industrial use. The Patents Law of UAE provides that a patent is valid for a term of twenty (20) years

The Patent law also sets out specific exceptions as to grant of patent rights such as:

- a. Plants and plant varieties, animals or biological ways of producing plants and animals. An exemption may apply for the microbiological methods and their byproducts;
- b. methods for diagnosing humans and animals, special treatment and surgical operations;
- c. mathematical and scientific principles, discoveries and methods;
- d. manuals or guides, rules or processes followed to conduct business or perform mental activities or play games; and
- e. invention that may lead to a violation of public morale or peace.

## Registration Procedure:



The applicant must file the following documents:

- a. note setting out a clear and concise description of the invention, and the inventor;
- b. technical specifications and drawings to support the reasons for the application;
- c. the copy of company's articles of association;
- d. a brief note not exceeding two hundred words proving that the invention is inventive and put to industrial use;
- e. a duly legalized power of attorney in favor of the patent agent;
- f. a consent letter from the founding inventor in cases where a patent application is an extension of an earlier approved patent; and
- g. attested copies of the patent certificate if the same has received approval from other jurisdiction. Once approved, the award gets printed and published in the Industrial Property Journal or the Gazette of the UAE.

Upon receipt of the application, the Ministry shall commence an examination of the claim to ensure that the same complies with the provisions of the law and that the idea or step is novel, inventive and of industrial use. The Law empowers the UAE Patent Office authorities to reject any application that does not meet the conditions set out in the Patents law. An appeal is allowed for rejections, but such request must be made within a sixty days' time frame. The accepted patent applications get reported in the Official Gazette, and any member of the public has the right to oppose before the UAE Patent Office challenging grant of such patent. If no such opposition gets lodged within sixty days, the 'letters patent' or the utility certificate is issued.

Commercial exploitation of a patent is a mandatory requirement imposed under the Law. Article 24 of the Law (based on Article 31 of TRIPS Agreement) provides that in the events where the patentee fails to exploit the patent or commercially; fails to assign the same in favor of a third party, the patent will be subject to compulsory licensing. Compulsory licensing means court or competent authority to grant a patent license in cases where patent owners have failed to commercially exploit or license the patent and where circumstances warrant that license must be issued.

# 2

## Trademarks

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The International Classification of Goods and Services for Registration of Marks under the Nice Agreement (9th edition) in practice followed in the UAE and the revision of class 42 with the creation of classes 43 to 45 has been adopted as of January 1, 2002.

**Procedure:** Once the applicant applies, the application gets queued to be examined as to the trademark registrability. Accepted applications by the Registrar get published in the Trademark Journal and two local Arabic newspapers. There is 30 days period for filing an opposition by any interested party. The decision of the Registrar regarding such claim may be appealed to the Committee in the Trademark Office, and the Committee's decision may be appealed to the competent court. In the absence of an opposition, the published trademark gets registered, and the certificate of registration awarded. Trademark registration process in the United Arab Emirates takes typically 4-5 months' time.

# Trademark Registration Procedure:

REGISTRATION VALIDITY: 10 years, renewable for other consecutive periods, each of which is ten years.

RENEWAL TIME: Application for Renewal should be submitted during the last year of the protection period. There is three (3) months grace-period for late renewal upon payment of lateness fine. (Renewal is to be published in the Trademark Journal and in two local Arabic newspapers).

OPPOSITION OF TRADEMARKS: If someone issues petition opposing trademark is issued by someone, the Ministry in such event, serves a show cause on the applicant requiring the applicant to provide reasons as to why the application should be granted.

TRADEMARK IS NOT A TRADE-NAME: A company of firm's name is its trade-name which is often confused with the trademark. Trade-names are issued by the Economic Department of Dubai whereas marks fall within the jurisdiction of Ministry of Economy. Registration of trade-name does not create a mark.

## 3 Copyrights

UAE's Copyright and Authorship Law number 7 issued in the year 2002 provides for protection of copyrights. Similar to copyright laws of other countries, copyright rights originate from the creation. The Copyright Law requires every author to submit their works to the Intellectual Property Protection Department (IPPD) of the Ministry of Information and Culture to avail protection granted under the law. The law confers protection to authors of literary, artistic, and scientific works. Registration of copyright is essential in cases where enforcement is required.

The copyright law covers protection of works such as sound, drawings, motion pictures and works of art, computer software, translations of original work, etc. Licensing of copyright is permitted, and parties should formalize their relationship through a contract. There is no requirement for a copyright license to be registered.

Unauthorized publication of an author's work constitutes a criminal offense and penalizes the offender with a fine of minimum fifty thousand (50,000) UAE Dirhams.





## 4 Industrial Designs



The United Arab Emirates Patent and Design Law (Federal Law number 44 of 1992) initially provided for registration of industrial designs. Since its inception in 1993, the Ministry of Economy's patent division accepted industrial design applications. However, on account of lack of machinery and internal management, the ministry was unable to issue any patent certificates or design rights until 2008. It was only sometime in March 2008 the book entitled Volume I - the Ministry of Economy issued industrial designs containing approximately 59 designs. With the constitution of the new Intellectual Property Design Rights department within the Ministry, it is now possible to register designs by way of three-dimensional trademarks to obtain the broadest protection possible.

Industrial design rights in the United Arab Emirates get approved for the novel and ornamental or aesthetic aspects of an article, such as the shape of an article, patterns, lines or colors. Industrial designs relate to aesthetic features and not technical features. Applicants desirous of obtaining Industrial Design rights should apply at the Design Registry of the Ministry of Economy.

### Understanding of the Term: Industrial Design

- i. An industrial design is any composition of lines or color or any combination of these features, which gives a unique appearance to and can serve as a pattern for an industrial product or handicraft; and
- ii. An industrial model is any original three-dimensional form, which gives a unique appearance to and can serve as a pattern for an industrial product or handicraft.

Federal Law No. 17 of 2002 repealed the Patent Law No. 44 of 1992 to bring UAE legislation into line with Trade Related Intellectual Property Rights (the **TRIPS**). Since 1998, it has been possible to obtain patent protection in all Gulf Cooperation Council (the **GCC**) member states through the filing of a single application at the GCC Patent Office in Saudi Arabia. The Law expressly provides the legal framework for the protection of the Designs in the UAE.

## Industrial Design under law 17 of 2002

- i. Applicants can obtain the 'industrial drawing' and design certificate provided it does not violate the public order or morals of the state.
- ii. The term of protection is ten (10) years from the filing date.
- iii. The owner of an industrial drawing and design certificate can prevent any other party from undertaking the following activities:
- iv. Use of the industrial drawing, design, or model for manufacturing any product;
- v. Importation or acquisition of any merchandise relating to the drawing, design, or model with the intention of using or selling that product.
- vi. The Ministry of Economy reserves the right to call for such additional information as it may deem fit in processing an application relating to registration of industrial design and/or grant of industrial design certificate from the applicant.

## Registration Procedure

- Filing an Application before the Patent Office to qualify for protection under the law.
- The design is examined and is subject to approval.
- Accepted application(s) then get published in the Official Gazette office, and the absence of any objection is successfully registered.

## Checklist: Registration of Industrial Design

Serial	Particulars	Remarks	Document type
1	Copy of Applicant's Trade license	-	Photocopy
2	Copy of Managing Director's Passport	-	Photocopy
3	Copy of Managing Director's Residence visa	Evidence as to UAE residency	Photocopy
4	Power of attorney	Issued in favor of patent agent	original
5	Copy of commercial registration certificate (if any) issued by Department of Planning and Economy for Parent/Holding company	Evidencing prior registration or grant of rights to parent company	Original and photocopies
6	<i>Letter from company with details of person(s) involved in carrying out design</i>	In cases where the applicant is company/employer	Original (2 sets)
7	Copy of CD containing aesthetic features, graphical designs, and internal as well as external layout of design	Two sets of compact disks are generally required	Company Disc (2 sets)
8	Copy of registered trademark & trademark certificate	Where trademark forms part of the design	3 copies
9	Technical specifications relating to designs including three dimensional art-work	In cases where Ministry of Economy requests for same	2 original sets plus letter from applicant
10	Fees payable towards initial search	AED 800/-	
11	Registration fee payable to Ministry of Economy	To be advised	



# 5

## IP Due Diligence in M&A Transactions

In merger and acquisition deals, most often companies and even their in-house counsels presume that intellectual property rights will by default get transferred with the acquired assets. In some cases, parties also assume that intellectual property related issues can get resolved by a general covenant on IP representations and warranties. The fact, however, is that almost every transaction involves some of the intellectual property assets that – if not properly evaluated and examined can lead to unpleasant consequences and damages with the possibility of a complete turnaround of the transaction or premature termination of the deal.

In a typical M&A transaction, target companies often overstate their IP or other intellectual property assets. Likewise, the target company may have already licensed whole or part of its intellectual property to a third party. A buyer would like to know the exact valuation of target's IP in addition to limitations as to exclusivity of the patent. In the absence of any sound due diligence exercise, conducting a general review and examination of copies of registered and unregistered intellectual property may lead one of the parties to an unwanted future surprise.

## Potential IP risks in M&A Deals

Buyers in M&A transactions are at risk of litigation liability resulting out of the acquisition. A careful and extensive due diligence on past debts, 'cease and desist' letters, infringement notices, court orders and objections lodged before Patent office must be carefully reviewed and analyzed. Buyers must in such events, consider obtaining potential indemnities from the seller in addition to signing other deeds or instruments such as waiver and release (including release from past acts of the seller), and deed of adherence. Initial litigation posture in some jurisdictions can quickly get evaluated although, in some countries such as UAE, the possibility of assessing a claim before Dubai International Arbitration Centre, Dubai courts, and other authorities may not be readily possible. Buyers must also investigate whether rights in the IP to be acquired are subject to prior agreements that may prevent a buyer from using the same in its territory, other markets, field, or business-related area.

UAE Federal Competition Law (the **Competition Law**) number 4 of 2012 aims at prohibiting monopolization and any attempts to monopolize and further aims at liberalizing foreclosed markets and opening up new markets to competition. The new Competition Law seeks to prevent abuse of dominant position by prohibiting restrictive arrangements. The Competition Law extends to mergers and other forms of business combination. Buyers will need to evaluate risks in this regards besides ensuring compliance with the provisions of Competition Law.



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**This UAE Intellectual Property Pack is not intended to offer legal advice, and you should not act upon the matters referred to within it without taking specific advice.**