# Saudi Arabia

Contributing firm
**Law Office of Nidal N Kadasa (in association with Cedar White Bradley)**



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## Legal framework

### National

In Saudi Arabia, trademarks are governed primarily by the Trademark Law 2002 and the Commercial Fraud Law 1984.

### International

Saudi Arabia is party to the following international treaties:

- the Paris Convention for the Protection of Industrial Property;
- the Agreement on Trade-related Aspects of Intellectual Property Rights;
- the Berne Convention for the Protection of Literary and Artistic Works;
- the Convention establishing the World Intellectual Property Organisation;
- the Patent Cooperation Treaty; and
- the Patent Law Treaty.

### Unregistered marks

The Saudi courts recognise the first-to-use principle. In appropriate circumstances, therefore, Saudi Arabia grants protection to unregistered marks where these are considered well known. The Trademark Law prohibits the registration of marks that are identical or similar to marks that enjoy an international reputation, which includes unregistered well-known marks. To that end, unregistered well-known marks may be relied on as relative grounds for initiating court proceedings.

The Trademark Law is silent on the issue of a time limit for establishing unregistered rights for well-known marks. However, litigants carry a relatively heavy evidentiary burden to prove the fame of a mark in Saudi Arabia.

## Registered marks

### Ownership

The following persons may apply for and own trademarks in Saudi Arabia:

- natural or legal persons of Saudi nationality;
- foreigners customarily residing in Saudi Arabia who are allowed to engage in commercial or professional activities in the country;
- foreigners who are nationals of countries that treat Saudi Arabia on a reciprocal basis;
- nationals of countries that are parties to multilateral treaties; and
- public agencies.

### Power of attorney

A representative requires a power of attorney before filing a trademark application, including an application claiming priority. The power of attorney should be executed by an authorised signatory before a notary and legalised by a Saudi embassy.

### Scope of protection

A trademark is granted registration if it is capable of distinguishing the goods or services of one undertaking from those of others. The Trademark Law provides that the following may be registered as trademarks:

> *names of distinct shapes, signatures, words, letters, numbers, drawings, symbols, stamps and protruding inscriptions or any other sign or combination thereof which can be recognised by sight and suitable to distinguish industrial, commercial, vocational or agricultural products or a project to exploit forests or natural resources or to indicate that the object upon which the trademark is put belongs to the owner of the trademark on grounds of manufacture, selection, invention thereof or trading therewith or to indicate the rendering of a certain service.*

Marks that may not be registered are:

- signs without any specific distinction and that are descriptions of characteristics or no more than common names usually given to the goods or services;
- any expression, sign or drawing violating religion, or that is identical or similar to a symbol of religious nature;
- any expression, sign or drawing inconsistent with public order or public morality;
- public emblems, flags and other signs, names or denominations pertaining to the country or one of the countries with which Saudi Arabia has reciprocal treatment or pertaining to one of the members of a multilateral treaty to which Saudi Arabia is a party or pertaining to an international or governmental organisation, and also any imitation to these emblems, flags, symbols, names and denominations unless permitted by the owner;
- official signs and imprints of the country, and the countries and organisations referred to in the preceding paragraph and which infer the owner's control over the products or services or the guarantee thereof, unless permitted by the owner;
- geographical names if their use is liable to create confusion as to the source of the products or services or their origin or liable to monopolise notice of origin or name the source without rightful justification;
- the pictures of others or their personal or trade names, unless they or their heirs agree to such use;
- statements relating to honorary degrees;
- statements that are liable to mislead the public or contain false information as to the source of the products or services or other descriptions of the products or services, as well as marks that contain a fictitious, imitated or forged trade name;
- marks that are identical or similar to marks well known in Saudi Arabia, even if they are not registered there in connection with identical or similar goods or services, as well as marks that are identical or similar to marks well known in Saudi Arabia and registered there in connection with goods or services that are not identical or similar, provided that this use causes injury to the owner of the well-known mark;
- marks owned by natural or juristic individuals with whom dealings are prohibited in accordance with a resolution issued by the competent authority; and
- signs identical or similar to marks already filed or registered by others in connection with identical or similar products or services, as well as signs whose registration for certain

products or services would reduce the value of products or services of others.

## Procedures

### Examination

**Application:** On September 25 2013 the Saudi Trademark Office – which follows a single class filing system – converted from a paper-based system to an online system. Applications are currently filed by uploading a copy of the power of attorney (where applicable) with the applicant's details. Once the power of attorney has been reviewed and approved, the Trademark Office releases a notice of allowance to file the application.

Once the application is filed, it is assigned a filing number and date. Official fees may then be paid online, whereafter the application proceeds to substantive examination.

The timeframe for the above process varies between one and three days.

**Substantive examination:** The introduction of an online system has significantly shortened the substantive examination timeframe. It may take between one and two weeks from the filing date for an application to be substantively examined.

Accepted applications proceed to publication within a few days (allowing for a shorter registration process).

If the application is rejected, the applicant may appeal before the minister of commerce within 60 days of the rejection notice date, and, if rejected again, before the court within 30 days of the second rejection notice.

### Opposition

Third parties may oppose acceptance of a trademark application before the Administrative Court within a non-extendable 90-day term from the date of its publication on the Trademark Office's website. Whether the applicant files a counterstatement or not, before issuing its judgment, the court will hold multiple hearings to receive arguments and evidence from all the parties involved, including the Trademark Office.

**Grounds for opposition:** An opponent may oppose the registration of a mark on the basis that it is contradictory to the relevant provisions of the Trademark Law and could cause material or moral damage to the opponent's interests. An opponent may rely on the following grounds in an opposition:

- relative grounds based on prior rights, such as a prior conflicting application or registration, or rights in an unregistered well-known mark;
- absolute grounds, such as lack of distinctiveness or a violation of religious principles or public morals;
- bad faith, such as a false claim of ownership; and
- related rights, such as infringement of rights in a trade name, copyright or design.

Generally speaking, though, oppositions before the court take between eight months and two years to conclude.

### Registration

If the application is not opposed, or an opposition ultimately fails, the trademark application will proceed to registration within a month or two. The timeframe for issuance of the registration certificate from the filing date of an application is about five months.

Trademark registrations are valid for 10 *Hijri* years (approximately nine years and eight months in the Gregorian calendar) from the filing date of an application.

### Renewal

The renewal term is 10 *Hijri* years and a trademark may be renewed indefinitely. There is a grace period of six *Hijri* months (approximately six months in the Gregorian calendar) for late renewals with payment of a surcharge. The timeframe for renewal is about one month from the date of a renewal application.

### Removal from the register

The competent official department and any interested party may request cancellation of a trademark registration when:

- the rights holder did not use the mark for a period of five consecutive years from the registration date of the mark without a legitimate excuse;
- the mark was registered in violation of public order or public morality (not governed by a time limit); and
- the mark was registered through fraud or false information (not governed by a time limit).

A trademark registration shall be also cancelled:

- where the registration was not renewed in accordance with the Trademark Law; and
- where the mark is owned by a natural or legal person with whom dealing is prohibited pursuant to a decision issued by the competent official authority (not governed by a time limit).

### Merger or change of name

A merger of the registrant with another company or change of name may be recorded against trademark registrations. It takes between eight and 10 months to record these with the Trademark Office.

### Searches

A single trademark search carried out by the Trademark Office will cover the following trademark applications and registrations:

- identical marks;
- similar marks;
- slogans; and
- logo marks.

Trademark register searches do not cover:

- cross-class searches (searches are carried out per individual class);
- searches for a given period of time; and
- trade names (which belong to a different registry).

The current official fee for a trademark register search is Sr1,000 (about $270) per class searched.

### Enforcement

Owners of registered marks may choose between several courses of action to address the improper use of their mark or a mark similar to theirs. The remedies available to registered mark owners are also available to the owners of unregistered well-known marks, but the latter carry more restrictions and a heavier burden of proof.

### Administrative action

Most counterfeit cases in Saudi Arabia are handled administratively rather than through the courts. The Anti-Commercial Fraud Department (ACFD), which is part of the Ministry of Commerce, is an administrative body authorised to receive complaints in relation to counterfeit products on the market. The ACFD inspectors carry out raids in cooperation with mark owners or their representatives. If proven to be counterfeit, the seized goods are normally destroyed within approximately two months. Penalties include the destruction of the goods, closure of the offending trader's business, imprisonment and fines.

### Court action

The owner of a trademark may apply for a court order restraining the use of an infringing mark. The legal framework is based on Islamic (Sharia) law, which forms the basis of Saudi Arabia's Constitution. Sharia law covers both civil and criminal issues. There are no special trademark or IP courts in Saudi Arabia.

The timeframe from the filing of a lawsuit with the Court of First Instance to issuance of a judgment depends largely on the nature of the evidence and the number of hearings held, but, generally speaking, the entire process takes between two and three years to conclude.

The remedies available through the courts include severe penalties, such as imprisonment of up to one year and fines of up to Sr1 million (about $267,000).

The punishable actions as set out in the Trademark Law are:

- imitation or forgery of a registered mark in a way that misleads the public;
- use in bad faith of an imitated mark;
- use in bad faith of a mark owned by others on products and services; and
- possession with the intention of selling or offering for sale forged goods.

It is possible to claim damages in trademark infringement proceedings, but the evidentiary onus is difficult to overcome and, where it is, awards are usually small.

The Trademark Law provides more severe punishments for repeat offenders, such as:

- doubling the fine and imprisonment sanctions;
- closure of the offender's business for up to six months; and
- publication of the judgment.

Provisional remedies are available to mark owners in the form of provisional orders. These

orders may be for the seizure of suspected counterfeit goods and the preparation of inventories of any equipment and tools used in their production.

The courts may, in any lawsuit, order:

- the confiscation or destruction of seized goods; and
- the publication of judgment in local newspapers.

### Border measures

There are no formal Customs recordal procedures in Saudi Arabia. It is within the discretion of the authorities to notify mark owners of potentially counterfeit goods discovered during inspections. Informally, though, it is possible to request that Customs monitor incoming shipments.

Depending on whether the importer successfully contests a detention or seizure by Customs, the relevant authority may order the destruction of any seized goods. The importer may also be ordered to pay the costs involved with the destruction.

### Ownership changes and rights transfers

#### Assignment

An assignment may be recorded against trademark registrations only, with or without the goodwill of the related business. The documents required to effect the assignment of a trademark registration are:

- a power of attorney executed by an authorised signatory before a notary and legalised by a Saudi embassy;
- a certified copy of the assignment agreement, notarised and legalised by a Saudi embassy; and
- the original registration certificate of the mark subject of the assignment (for endorsement purposes).

The timeframe for recordal of an assignment is between eight and 10 months from application.

#### Licensing

A licence may be recorded against trademark registrations only. Recordal of licence agreements is not compulsory, but recommended for two main reasons:

- It eases acceptance of the licence agreement by the local authorities regulating commercial operations of licensees; and
- Any benefit arising from use of the licensed trademark by the licensee will pass to the trademark owner

The documents required to record a licence agreement are as follows:

- a power of attorney executed by an authorised signatory before a notary and legalised by a Saudi embassy;
- a certified copy of the licence agreement notarised and legalised by a Saudi embassy; and
- the original registration certificate of the assigned trademark (for endorsement purposes).

From filing, it takes between nine and 11 months to record a licence agreement against a registered trademark.

### Related rights

There is some overlap between the trademark and copyright laws where marks contain logos or artistic elements.

### Online issues

The improper or unauthorised use of a trademark discussed under the Enforcement section above also applies to use of a trademark online. The owner of a trademark may launch formal proceedings to restraint the use of a mark in domain names, hyperlinks and metatags, on websites and in online ads.

In addition to resorting to court remedies, the Saudi Communication and Information Technology Commission also has the authority to deal with disputes relating to domains in the '.sa' country-code top-level domain space. WTR

| Examination/registration | | |
|---|---|---|
| **Representative requires a power of attorney when filing? Legalised/notarised?** | **Examination for relative grounds for refusal based on earlier rights?** | **Non-traditional marks registrable?** |
| Yes/Yes ✓ ✓ ✓ | Yes ✓ | No ✗ |

| Unregistered rights | |
|---|---|
| **Protection for unregistered rights?** | **Specific/increased protection for well-known marks?** |
| Yes ✓ | Yes ✓ |

| Opposition |
|---|
| **Can a registration be removed for non-use? Term and start date?** |
| Yes: 90 days. ✓ |

| Removal from register | | |
|---|---|---|
| **Can a registration be removed for non-use? Term and start date?** | **Are proceedings available to remove a mark that has become generic?** | **Are proceedings available to remove a mark that was incorrectly registered?** |
| Yes: five years' non-use from registration. ✓ | No ✗ | No ✗ |

| Enforcement | | |
|---|---|---|
| **Specialist IP/trademark court?** | **Punitive damages available?** | **Interim injunctions available? Time limit?** |
| No ✗ | No ✗ | Yes: until decision in the main action. ✓ |

| Ownership changes |
|---|
| **Mandatory registration for assignment/licensing documents?** |
| Yes ✓ |

| Online issues | |
|---|---|
| **National anti-cybersquatting provisions?** | **National alternative dispute resolution policy (DRP) for local ccTLD available?** |
| Yes ✓ | Yes ✓ |

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Nidal Kadasa is a partner in the Riyadh office of Cedar White Bradley. Before joining Cedar White Bradley in 2014, Mr Kadasa practised IP law for 10 years at a major Saudi law firm in Riyadh, where he specialised in IP litigation, dispute resolution and anti-counterfeiting. Mr Kadasa holds an LLB from King Saud University and is licensed by the Saudi General Administration of Lawyers to practise law in Saudi Arabia. He is a member of the International Trademark Association, the Middle East chapter of the Association for the Protection of Industrial Property and the Arab Society for Intellectual Property.



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Firas Jayyusi is a senior trademark practitioner with Cedar White Bradley. Before Joining Cedar White in 2011, he worked for 12 years with a major IP firm in the Middle East in its Jordan, Saudi Arabia and United Arab Emirates offices, and spent his last years with the firm as an IP manager in charge of supporting its Saudi Arabia and UAE offices. Mr Jayyusi has many years' experience working with and advising brand owners on trademark availability searches and complex trademark application prosecution issues. He is a member of the International Trade Mark Association, the Middle East chapter of the Association for the Protection of Industrial Property and the Arab Society for Intellectual Property.