

Trade Names vs Trademarks: Curbing the Conflicts in the UAE

by Omar Obeidat - o.obeidat@tamimi.com - Dubai International Financial Centre

December – January 2015

It was not a great surprise for an owner of a five-star-plus well-known hotel brand to find its UAE-registered trademark misappropriated by a two-star hotel in Dubai enjoying a trade name registration for the same name.

December 2014 – January 2015

This is because the trade name and trademarks systems in the UAE have for many years allowed for conflicting names to co-exist. This is not peculiar to the UAE, but generally can be said of many countries in the Arab world. The hotel name conflict was one of many other conflicts whether in the same country or amongst different countries, such as:

- The trade name BARCLAYS REAL ESTATE in Dubai vs the trademark BARCLAYS BANK
- The trade name PARIS GALLERY in Qatar vs the trademark PARIS GALLERY

The problem arises because trade names are only acquired on establishing a physical business presence, whereas trademarks can be registered by a trademark owner with no address or presence in the country. Without having a proper crosscheck of the two databases, a conflict between a trademark registration and a trade name registration can easily occur. In fact, it is much more difficult to challenge a conflicting trade name registration based on trademark rights, than to challenge trademarks. A trademark is monitored by reviewing the periodical trademark publications in Gazettes and newspapers, which are published and enter into an “Opposition Period” allowing anyone with legal interest to oppose the published trademark application before it matures to registration. The opposition is usually an administrative procedure and lodged with the Trademarks Office and decided by its administration. Even after registration, a procedure known as a “Cancellation Action” may be raised to cancel a trademark registration on the basis of it being confusing similarity with a prior owned trademark.

Trade names however are challenged only by way of a trade name deletion case through the court. The risk with trade name cancellation cases is that courts almost always assess the ownership based on the date of registration in the country where the dispute arose. That is, if the trade name owner in Qatar existed prior to the registration of the mark in Qatar, then regardless of whether the trademark owner had a well known trademark existing in many other countries for prior years, the court may rule in favor of the trade name owner. Despite the normal course of action for trade name cancellations requiring a law suit, there have been many successful examples of trade name changes by administrative route particularly in the UAE, whether for free zones and on shore trade licenses. After all, it is administrative decisions or procedures which cause these conflicts to exist.

The Abu Dhabi Government recently issued a new Regulation for Trade Names titled “Administrative Decision No 7 for the Year 2014 Regulating Trade Names in the Emirate of Abu Dhabi” (hereinafter “Decision”). Abu Dhabi is an Emirate (state) in the United Arab Emirates, which is a federal union with both federal and local (Emirate) legislation. This Decision, which is a local piece of legislation, applies to those setting up in Abu Dhabi and using trade names to identify their businesses. This Law regulates which trade names can or cannot be registered in Abu Dhabi, in a similar fashion to provisions on the prohibitions and restrictions regulating registration of trademarks under the Federal Trademarks Law. The Decision addresses the ever existing conflicts

between trademarks and trade names in the country, which is a continuous weakness in the protection system since the two databases are never cross checked on trademark or trade name clearances and hence result in conflicts. For a long period of time, trademark owners suffered from their marks being registered and used as trade names, only that trade names are not published with no opportunity to oppose them prior to registration. However, this new Decision specifically prohibits registration of trade names that are identical or confusingly similar to a locally or internationally registered trademark. This is to say that both well known marks and locally registered trademarks will prevent registration of a similar trade name unless authorization of the trademark owner is given. This Decision will therefore eliminate the conflicts between future applications for trade names and existing trademarks.

The above mentioned regulation is a good example for others to adopt for curbing trade name/trademark conflicts and will inevitably strengthen the trademark protection system in the country.