

Prominent Trademarks in the UAE Hospitality Sector

by Nour Kanawati - n.kanawati@tamimi.com - Dubai Maze Tower

March 2016

As an international tourist hotspot, new and well-known hotel brands are constantly popping up in Dubai.

Many of these hotels are operated by companies based in a single jurisdiction, but have global brand names well-known to consumers as a result of globalization and increased tourism and travelling. Unfortunately many operators neglect to register their trademarks nationally or internationally, and in many cases have failed to enforce their trademarks outside of their core geographic market. Recently, there is an increasing trend of businesses venturing into the hospitality industry, and consequently, trademark disputes have increased as a result of their geographic expansion. For example, a notable lawsuit occurred between the infamous “The Plaza Hotel” in New York and the “Union Plaza,” also known as “Plaza Hotel and Casino” in Las Vegas. Although many hotels are established in one location, their brand name precedes them, and is therefore known all over the world. As a result, consumer confusion is extremely likely when one travels from New York to Las Vegas and sees THE PLAZA mark. A logical association is made between the two businesses, as the brand is notorious and the name is seemingly the same.

International trademark disputes in the hospitality industry create tension between two important legal trademark principles: the territoriality principle and the ‘famous trademark’ doctrine. According to the territoriality principle, trademark rights are determined on a jurisdictional (i.e. country-by-country) basis; whereas the ‘famous trademark’ doctrine (or ‘well-known’ trademark doctrine) is the general exception to the territoriality principle, and refers to the idea that a trademark can be given protection in a jurisdiction due to how famous it is, even though it is not registered or used in the jurisdiction.

Article 6(3) of the Paris Convention highlights the territoriality principle, providing that a “mark duly registered in a country of the [Paris] Union shall be regarded as independent of marks registered in other countries of the Union, including the country of origin.” However, Article 6bis of the Paris Convention lays out the well-known trademark exception, stating, “The countries of the Union undertake [...] to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered [...] to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods.” This exception is further expanded to apply to service marks, which would include hospitality industry services, in Article 16(1) of the Agreement on Trade Related Aspects of Intellectual Property Rights. According to these agreements, actual use of a trademark in a foreign country is not essential to establish the mark is well-known. Therefore, reverting back to the earlier example, THE PLAZA is a well-known mark in Dubai, even though the only branch is in New York; this may be a result of media attention or movie settings, but irrespective of why, THE PLAZA is a well-known mark worldwide.

International hospitality disputes are not new, but they are becoming increasingly frequent and complex, with the results being uncertain. In a recent case handled by Al Tamimi & Company, a very famous and well-known hotel in India sought to sue two different Indian restaurants by the same name, one being located in Kuwait and an unrelated, separate one being located in the UAE.

The hotel sought to sue the restaurants on the grounds of trademark infringement, among other claims. The UAE Trademarks Office analyzed the trademark owner's multiple trademark registrations, evidence of fame (including the international and national awards won by the hotel and the Indian celebrities that visited it) and found that the UAE based restaurant was infringing on a well-known mark. In Kuwait, however, the results were not as easily obtained. The matter in Kuwait was assigned to be assessed by an Intellectual Property Expert and is currently pending a decision

Conflicting results are often due to the fact that there is no set criteria for a mark to be labelled as "well-known" or "famous;" moreover, it is often difficult to ascertain that a mark is well-known when the examiner may have never heard of the mark in the particular jurisdiction. For this reason, the examiners in the UAE reviewed an array of evidence relating to the hotel's brand, consumer recognition, advertisements, media attention, and more to assess whether the mark was famous.

These types of disputes are continually on the rise, and the increase is likely to be noticeable in Dubai, as hundreds of restaurants and hotels will open between now and the 2020 Expo. It is important for brands in the hospitality industry to protect their marks and maintain the ability to geographically expand. First and foremost, the company must assess and identify which countries it may reasonably expect to expand into, and for those countries, the company should attempt to register their trademarks. In the countries where registration is sought, it is important to note the requirements to maintain registration. For example, advertising of the hospitality services (or some type of marketing) under the mark to travellers to the hotel, may be sufficient to obtain and maintain registrations, even though the hotel or company does not actually provide hospitality services in the country in question.

In countries of interest where the company was not able to successfully register or foresees that the hotel may face trademark issues after assessing the results of a trademark search, the hotel or company should maintain records to establish that it is a well-known or famous mark. As in the previously mentioned case with the Indian hotel and the Indian restaurant by the same name in the UAE, the hotel relied on publications and media that arguably reached consumers in the country. Other possible forms of evidence include accounting records demonstrating advertising or marketing expenses in the country, customer lists identifying guests from the country who have visited the hotel, and internet logs identifying visits to the company's website from users in the country. It should be noted that often proving that a mark is well-known or famous requires evidence spanning several years.

It is not only important for businesses in the hospitality industry to act pre-emptively, such as the actions suggested above, but it is also important for these businesses to take action and enforce against possible infringements in countries of interest. This is important to ensure that the company can expand in the future and avoid litigation against an established entity in the country of interest. With a rapidly growing economy, and with the 2020 Expo just around the corner, it is imperative for brand names in the hospitality industry to protect their marks in the UAE and neighbouring region.