

# Protecting and Enforcing your Trademarks in Iran

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Iran has been recognised as one of the major potential markets in the Middle East. With the lifting of the UN Sanctions against Iran, many businesses are looking to expand their operations and enter into the lucrative market. With around 80 million in total population, Iran is considered one of the largest markets in the region for many international and local traders and entities.

The expanding significance of the economic value of the local market requires establishing practical mechanisms for protecting and enforcing intellectual property ('IP') rights. Trademark being one of the dominant and common IP rights, and this article examines various aspects of protecting and enforcing trademarks in Iran. The trademark practice in Iran generally focuses on protection, i.e. filing and registration, and enforcement of brands against infringement and counterfeit.

The Patent and Trademark Registration Act of 2008 [] and related Regulations, together with the Paris Convention for the Protection of Industrial Property of 1959 and the E-commerce Law of 2003 establish the legal framework for the registration, protection and enforcement of trademarks in Iran, and set out the procedures for civil actions and criminal prosecution.

## Trademark Protection

The Iranian laws provide no protection to unregistered trademarks. A trademark must be registered in order to enjoy protection. Trademarks may be used in Iran without registration, but the owner of an unregistered trademark is not able to use the law to protect against infringement. The exclusive right to use a trademark rests with the party that has registered the mark. Mere use of a trademark does not entitle the user to enforce its unregistered rights and benefit from protection of the mark.

**Registration:** The registration of a trademark in Iran involves the typical procedures of filing, examination, publication and then registration. The typical time frame to complete the registration process is 15 to 18 months with relatively minimal fees and expenditures for brand owners. The brand owner should complete the process through a local attorney and should provide the following information and documents:

- Name, address details and nature of business of the applicant
- A specimen of the trademark to be protected
- List of goods and services to which the trademark applies
- A Power of Attorney to the applicant's representative, duly legalised by the Iranian consulate
- A copy of the incorporation certificate for the applicant (if a corporation), duly legalised by the Iranian consulate

A clearance search of the trademark is always recommended to brand owners prior to registration and use. Whilst proof of use is not required to register a trademark in Iran brand owners should carry out such searches prior to commencing registration or commercial exploitation of brands as a precaution. These searches can be initiated and completed within an average period of five working days.

Under Iranian trademark laws, a trademark is any design, image, word, expression, seal, cover,

etc., adopted to distinguish industrial, commercial, or agricultural products. Moreover, non-traditional trademarks such as Three-dimensional marks and Colour marks are registrable in Iran. In addition to the standard restrictions such as national flag, official emblems and so on that cannot be registered as a trademark, trademarks covering “alcoholic beverages” in class 33, “beer and ale” in class 32 and all trademarks comprising portraits of a woman in any form, are prohibited from registration in Iran.

Iran uses the International Classification of Goods and Services for the purposes of registration of trademarks (the Nice Classification), although the Registry has adopted a local pre-defined list of goods and services which may not cover all the goods and services listed in the Nice Classification. An application should choose a list of goods and services from the above said pre-defined list which the Registry follows. Iran follows a Multi-class filing system which means that an application to register a trademark can cover more than one class with a discounted official fee applied for each additional class.

Once the registration application is submitted, it will be examined by the Trademark Office and, if no objections or oppositions to the registration are raised, or the objections or oppositions are resolved in favour of the applicant, the application will be published, followed by a 30-day opposition period. If no oppositions are filed within this period, the mark will be registered and a number assigned to it. The registration will then be published once again and the registration certificate will be issued following publication.

**Use Requirements:** If an owner of a mark, his legal agent, or successor does not use the registered mark without any legitimate reasons within a period of three years from the registration date, such mark may be vulnerable to a cancellation action by a third party. Trademark owners are not required to submit any proof of use of the mark, unless a third party files a request for cancellation on the ground of non-use during the term indicated above.

## **Trademark Enforcement**

As mentioned earlier, the Iranian legal system affords no protection to unregistered marks. Only registered marks enjoy protection and may be enforced through civil or criminal actions. The trademark registration certificate is prima facie evidence of ownership and a trademark owner holds exclusive rights to use the trademark. A trademark registrant may initiate anti-counterfeiting measures against infringers only through the courts, and not with the Trademark Office. The Trademark Office is not the authority to enforce registered trademarks rights in Iran.

We set out below the most common options for trademark owners under Iranian law and practice to enforce their registered trademarks:

**Legal Notice:** Sending a legal notice or cease and desist letter appears to be a very efficient tool to resolve many problems at an early stage in Iran. Therefore, trademark owners should consider this option against retailers, traders or local entities that infringe or sell counterfeit goods as a first step. The legal notice can be sent as a cease and desist letter from the trademark owner or its lawyer or via an official notice that is served through a court bailiff.

**Criminal Action:** A criminal complaint is often a swift and effective method to protect against infringement in Iran. If a trademark owner finds that its trademark is being illegally used in such a way that consumers do not realize they are purchasing counterfeit products or that use of a confusingly similar trademark is misleading, it may launch a criminal action. Although it is also possible to do so, it is not advisable to bring a criminal action in cases where the similarity between the marks is arguable.

The criminal complaint will be filed before the Public Prosecution. Following the examination of the complaint and the supporting documents, the Public Prosecutor may issue an injunction order for

Police to raid on the infringer and its business within five to seven working days in the normal course of events. The injunction order will be valid for 15 days from the issuance during which the local counsel should conduct the raid along with the Police. The Prosecutor will order the Police to remove all infringing trademarks, logos and signage and seize counterfeit goods and other infringing materials such as business cards and other marketing materials with the infringing trademark on it.

A trademark infringer is liable for imprisonment of three months to six months and/or a penalty of \$400 to \$1600 or both. However, generally in practice the Courts do not tend to sentence infringers to imprisonment.

**Civil Action:** A trademark owner can also enforce and protect its rights through a civil court action, which would include a claim for damages. If a trademark owner finds that its trademark is being unlawfully used by others, it may bring a civil court action to stop the infringement. Where the similarity between the marks is arguable, it is advisable to bring a civil action rather than a criminal action, because the court must first be satisfied that the similarity would confuse and mislead the targeted consumers before ordering the infringer to cease use of the imitated mark.

A preliminary interim injunction is also available in a civil action, but subject to depositing a bond with the court to cover possible damages to the other party if the complainant loses the action. The amount of the bond will depend on the court's discretion and cannot be predicted. The time frame for obtaining an interim injunction in a civil action will be around 20 days [from the date of receiving the complaint on file].

**Administrative Actions:** Generally speaking, there is no administrative action available against trademark infringement activities in Iran. However, in the matter of trademark infringement on signboards, a complaint is available before the Police Supervising of Public Places, a department within Iran's Police, as the authorized department to carry out raids against signboard infringement.

## Online Disputes

The E-commerce Law in Iran provides for the protection of trademarks used online. The use of a mark as a domain name, or any online use of a trademark that confuses or misleads consumers as to the source of goods or services, is considered as infringement and prohibited by the law. The E-commerce Law provides IP rights owners with remedies against the following activities:

- domain name registration of an existing trademark by an unauthorised party
- domain name registration of a name that is confusingly similar to an existing trademark owned by a third party
- domain name registration of another party's trademark in the top-level domains '.ir', '.co.ir' and similar

The E-commerce Law prescribes that the use of a registered trademark as a domain name by a third party, or any online use of trademarks that may mislead or confuse consumers as to the source of goods and services, is illegal. The infringer will be liable for criminal penalties ranging from one to three years' imprisonment and fines of between \$2,500 and \$12,500.

## Conclusion

Brand value is of paramount importance and should be protected to the fullest extent possible against unlawful and illegal use and a brand can easily be destroyed if used in conjunction with counterfeit goods. Since unregistered rights are unavailable in Iran, brand owners should register their trademarks for the Iranian market at an early stage. Once the trademark is registered,

enforcement proceedings may then be taken to protect brand value and recover any damages suffered or incurred.