



The Offices, 02 Building
One Central
Dubai World Trade Centre
PO Box 9204
Dubai - United Arab Emirates

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To all the Members of the AIPPI - UAE National Group

Subject: 5th Circular/ 2024

Dear all,

Administrative Cancellation Actions in Line with the New UAE Trade Mark Law

The enactment of Federal Law No. 36 of 2021, pertaining to Trade Marks, which came into effect in the UAE in January 2022, introduced several significant changes to the previous law. This article focuses on one of the key highlights of the new law: the introduction of third-party administrative cancellation action process, allowing for cancellation actions to be brought before the Trade Mark Office (TMO).

Such cancellation actions are filed with the TMO, with the right of appeal to the Grievance Committee, a judicial committee that has assumed the role of the court of first instance in administrative cases. Further appeals can be made to the Court of Appeal. Previously, such actions needed to be filed with the courts.

This article will discuss the grounds for cancellation, the administrative process with the TMO, associated fees, and areas where further clarity is needed. Future updates will be provided as we gain more insights from the TMO.

Grounds for Trade Mark Cancellation

The new Trade Mark Law outlines several grounds for the cancellation of a registration, including a newly introduced grounds based on 'prior use':

Prior Use - Article 18(2)

Article 18(2) introduces new grounds for cancellation based on earlier use. It states, " Any user of the trade mark, prior to the person in who's name this trade mark has been registered at the Ministry, may request the Ministry to cancel such registration within five years from the date of registration, unless he had implicitly or explicitly agreed to its use by the registered owner".

This provision aligns with UAE policy that emphasizes the first-to-use principle over first-to-register.

Bad Faith - Article 18(1)

Registrations can be cancelled if they were made in bad faith. Article 18(1) states, "Whoever registers a mark shall be considered its sole owner. The ownership of such a mark may not be disputed if its registration and usage thereof continued for an uninterrupted period of five years from the date of its registration without being involved in a judicial dispute, unless the registrant is proven to have acted in bad faith."

Non-Use/Wrongful Registration - Article 24

Article 24 covers various grounds for cancellation, including non-use, cancellation at the owner's request, and cancellation of wrongful registrations.

Non-Use - Article 24(3)

This Article allows for a trade mark registration to be cancelled for non-use if the trade mark has not been used for five consecutive years. Article 24(3) allows any interested party to file a cancellation action if they can prove non-use for five consecutive years post-registration, absent any unforeseen circumstances preventing its use.

Wrongful Registration - Article 24(4)

This Article allows the Ministry to cancel a trade mark, either on its own initiative or at the request of interested parties, if such a mark was registered in violation of the Decree-Law's provisions.

Article 27 of the Trade Mark UAE Law and Its Relevance to Trade Mark Cancellation

Article 27 addresses the re-registration of cancelled trade marks. The Article provides that:

"If a trade mark is removed/cancelled from the Registry, it cannot be re-registered in the name of another person for the same or similar goods or services until three (3) years have passed from the date of removal. This restriction does not apply if the removal is based on a judgment issued by a competent court, which may specify a shorter period for re-registration."

It is crucial to reference this Article when submitting a cancellation request to address potential issues related to re-registration. A favourable decision by the TMO is considered akin to a court-issued judgment. However, including a clear request for consideration under this Article is important to prevent any ambiguity during the execution of the decision.

Administrative Cancellation Process, Timeframe, and Costs:

Process

1. Submit a cancellation application online through the TMO's portal.
2. Upload the cancellation statement (in Arabic) with evidence supporting the grounds for cancellation and arguments.
3. The TMO will notify the registrant and grant a timeframe for their response, scheduling a hearing if necessary.
4. The TMO will notify the party that has submitted the cancellation of the registrant's response, allowing further comments and scheduling another hearing if necessary.
5. If the registrant does not respond within the given timeframe, the TMO may decide on the request without further delay.
6. The TMO will study the matter and issue a decision, which is appealable before the Grievance Committee.

Timeframe

While the Executive Regulations stipulate a decision should be made within 90 days, this timeframe is currently not applicable. The current timeframe varies between 10 to 18 months. It is expected that the TMO will adhere to the 90-day timeframe once outstanding cases are cleared and efficient mechanisms are in place.

Costs

The official fee to file a cancellation action with the TMO based on any of the afore-mentioned grounds is AED 10,000 (approximately USD 2,740).

Recent Update from the UAE TMO

Cancellation cases were up until recently on hold as the TMO was revising its processes to enhance efficiency. The TMO is now back reviewing cancellation cases.

Areas In need of further Clarification

As with implementation of a any new law, certain uncertainties exist concerning TMO based cancellation action that will hopefully be resolved as the TMO handles more cases.

Key areas needing further clarification include:

1. **Use of a Registered Mark:** Guidance on the issue of what constitutes effective and continuous use of trade mark is awaited.
2. **Notification of Registrants:** The process for notifying registrants and handling non-responses remains unclear.

3. **Appeal Fees:** Appealing the TMO's decision to the Grievance Committee currently incurs no official fees. As the Law is silent in this regard, it is possible that this may change in the future.
4. **Filing trade mark cancellations with the Courts:** Concerned parties reserve the option to initiate cancellation proceedings directly with the courts. Further clarification from the TMO is needed regarding this process in view of the new developments.

Authored by: Mona Saleh

Verified by: Ziad Sunna