



Trademark's protection through the trademark's cancellation action in the light of the new GCC trademark Law

Dr. Christiane Bou Khater

College of Law, Prince Sultan University, Riyadh, Saudi Arabia

Abstract

The Saudi Trademark Office in Riyadh, has adopted the New GCC Trademark Law, (referred to as the NTL), and its implementing regulations with effect from 29 September 2016 replacing the old Saudi Trademark Law (referred to as the OTL). The NTL has consecrated chapter three for the process and conditions relative to the cancellation of illegal trademarks' registration.

This study analyses the cancellation of such trademarks that constitutes a pillar in the protection and enforcement of the trademarks in the Kingdom of Saudi Arabia in the era of the vision 2030 aiming to empower the kingdom's international trade, which is indubitably linked to the aforementioned protection and enforcement.

This cancellation process is well reflected in the newest decisions rendered by the Administrative Court in the Kingdom of Saudi Arabia, competent for trademarks cancellation's cases, the Board of Grievances, (referred to as BOG). We shall study the protection as recognized by the NTL through the rendered decisions. The protection of the trademark in the Kingdom of Saudi Arabia has many challenges relevant to the judicial enforcement, this is why we shall analyze and compare via comparative and mixed methods of research how this protection is recognized and applicable in the Saudi Courts linking this legislative and judicial protection with other international approaches.

Keywords: Trademark, Well-Known Trademark, Protection, Enforcement, Cancellation, Confusion, Products, Services, GCC Trademark Law, Board of Grievances, Saudi authority of intellectual property, Vision 2030

1. Introduction

The Saudi Trademark Office in Riyadh, has adopted the New GCC Trademark Law, (referred to as NTL), and its implementing regulations with effect from 29 September 2016 replacing the old Saudi Trademark Law (referred to as the OTL). The NTL has consecrated chapter three for the process and conditions relative to the cancellation of illegal trademarks' registration.

This study analyses the cancellation of such trademarks that constitutes a pillar in the protection and enforcement of the trademark's protection in the Kingdom of Saudi Arabia in the era of the vision 2030 aiming to empower the kingdom's international trade, which is indubitably linked to the aforementioned protection and enforcement.

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The relation of the illegal statute of a trademark and its cancellation is obvious. This why, we shall present our paper through those different titles:

The cancellation of illegal trademarks is analyzed from both legal and judicial perspectives, which induces the following titles:

1. The cancellation of illegal trademarks from both legal and judicial perspectives

a- The cancellation of illegal trademarks from the national and international legal perspectives

b- The cancellation of illegal trademarks from the judicial perspective

Both aforementioned perspectives have consecrated special protection for well-known trademarks announcing the following title:

2. The cancellation of well-known trademarks

Let us explore at this stage the cancellation of illegal trademarks.

1- The cancellation of illegal trademarks from both legal and judicial perspectives

The NTL, along with the USA trademark law and the European legislations have special stipulations relevant to the trademarks' cancellation.

a- The cancellation of illegal trademarks from the national and international legal perspectives.

As mentioned hereinabove, the NTL has consecrated the third chapter for the trademarks' cancellation. In fact, article 22 of this chapter, is opening the door for any concerned person to proceed through a cancellation action against the registration of an illegal trademark.

In the same perspective, the US Trademark Law, likewise the NTL, allows "any person who believes that he, she or it is or will be damaged by a registration may file a petition, addressed to the Trademark Trial and Appeal Board, for cancellation of the registration in whole or in part^[1]."

This is going along with the European Laws stipulations as well, where, the French Code of Intellectual Property per example is referring in its article L. 714-3 to the right of cancelling illegal trademarks^[2].

What is an illegal trademark?

The express definition of an illegal trademark is not mentioned within the NTL; however, an implicit definition can be deduced from article 3 of the NTL mentioning, through a non-limitative list, what are the signs that cannot be registered as a trademark; the same is mentioned in the article 2 of the OTL as well: both articles are focusing on the signs that are deprived from distinctiveness and, consequently, not accepted to be registered as a trademark.

The same is mentioned in the article 7 of the European Directive ^[3]: the European Regulation and the NTL are providing information and explanation relative to the lack of distinctiveness. If the sign intended to be registered as a trademark consists an indication to refer to the kind, quality or other information relative to the characteristics or the nature of the goods or services per se ^[4], it will be not be considered and registered as a trademark.

The lack of distinctiveness is not the only criterion of illegal trademarks; signs breaching public morals, violating the public order ^[5] or confusing the consumers are illegal as well. This confusion might be created due to phonetical and visual resemblances

Phonetical and visual resemblances where recognized as well by the decisions of the BOG which will lead us to the cancellation as applied by the Saudi Courts.

b- The cancellation of illegal trademark from the judicial perspective

In this context, the BOG has approved in the decision No. 6439, rendered in 2018, the plaintiff's request about cancelling the TM RLILCO due to the phonetical resemblance with a similar pre-registered trademark RILICO. The trademark RLILCO is to be cancelled based on article 22 of the NTL mentioned hereinabove since it is registered after the registration of the trademark RILICO on the same class of products, and since the resemblance between both TM on both phonetic and visual aspects is confusing the consumers.

Article 3 of the NTL, has consecrated a specific stipulation prohibiting the registration of trademarks that are similar to a pre-registered trademark for the same goods or services if the use of the trademark will mislead the consumer; the case RILICO is a direct application of the aforementioned stipulation ^[6].

Likewise article 3 of the NTL, article 2 of the OTL is enumerating the signs that can't be registered as a trademark and is, ipso facto, delimiting the conditions of the trademark's cancellation: in other words, in case the registrar will accept the registration of a trademark, any interested party may object this acceptance if the trademark is not respecting the stipulation of article 2.

However, in order to proceed with the cancellation of a trademark, it must be duly registered; this is why, the BOG decided in his decision n. 4734 of 2017, that the trademark cannot be cancelled because, from the beginning, the Saudi registrar refused to register it and the cancellation's request of the plaintiff was rejected in this regard.

Once the trademark is cancelled, article 25 of the NTL indicates the limits of its re-registration by a third party, for the same or similar goods and services, that must be after the elapse of three years from the date of the cancellation. However, this period can be shorter in case a court decision is determining it.

In the case of RILICO, the plaintiff's request about

cancelling the TM B was approved by the court specially that the trademark B was registered before the elapse of the three years. The aforementioned period will elude any confusion vis-à-vis the perception of the consumer who might create a link between the cancelled trademark and the re-registered trademark referring to the same or similar goods and or services.

On the other hand, article 22 is referring to article 7 mentioning the right recognized to any person that was using the trademark before the owner of the registered trademark, to file a cancellation action within five years as for the date of the registration.

This period of five years is mentioned another time in article 24 of the same chapter, in the context of cancellation as well, allowing any concerned person to request the cancellation of a trademark in case the registered trademark was not used seriously for five successive years.

However, the non-use of the trademark will not be a reason to proceed with the cancellation if the owner of the registered trademark can prove that it was due to a reason beyond his control.

The purpose of the cancellation in this context is to avoid the possibility of monopolizing the signs registered as trademarks without using them, which may have a negative impact for the manufacturers, per example, who wants to use the same sign as a trademark to identify his products. We refer as an analogy to the case of CNN.com where 325 domain names were transferred to the CNN or the Cable News Network; 21/1/2003: <http://www.clic-droit.com>. This transfer can be considered as a cancellation of the rights of the cybersquatter who probably registered the trademark CNN in different domain names in order to re-sell them to CNN. Trademark likewise domain names are not to be registered in order to stop the exploitation of a distinctive sign by a concurrent ^[7].

Through another decision No. 5264, rendered in 2017, the plaintiff is requesting the cancellation of the registered trademark FROZEN as it is similar to the pre- registered trademark FROZEN : both trademarks are registered for the same class 25 and this will mislead the public specially that the similarity is obvious; actually, both trademarks are identical.

The trademark FROZEN was illegally registered and this is why the BOG decided to cancel the trademark in favor of the plaintiff's request in application of the article 22 previously referred to in the case number 6439.

On the other hand, the BOG is referring to article 17 al. 2 based on which the plaintiff in the current case, has the right to prevent others from using similar or identical trademarks distinguishing same products or services because it will cause confusion for the consumers; this case is a direct application of article 12 al.2 ^[8] as the confusion will be created since the identical trademark FROZEN is used for the same class 25 ^[9].

This case is considered to be a direct application of art 3. al. 14 of the Law as well including specific stipulation relevant to the protection of well-known trademarks.

2. The cancellation of well-known trademarks

The trademark FROZEN is a well-known trademark as stated by the BOG who is referring to article 4 al. 1 of the Law mentioning that the trademark is renowned if it is well-known beyond the boundaries of the Saudi markets. The registration of a pre-owned well-known trademark is illegal

especially if the owner did not approve expressly such registration.

Since the trademark Frozen was recognized by the BOG as a well-known trademark, even if the products and services were not similar, the BOG could have referred to art. 3 al. 14 of the Law which is enlarging the scope of the protection of well-known trademarks to the products and services that are not similar to the one distinguished by the renowned trademark.

At this stage, the al. 14 mentioned additional conditions for such protection going beyond similar goods and services

- The use of the sign which is a well-known trademark by others, must create a connection, in the mind of the consumer, between the goods and services identified by the well-known trademark.
- The use of the counterfeiting sign will affect negatively the interests of the owner of the well-known trademark.

The reference made to well-known trademarks to highlight the protection of a trademark was done as well by decisions rendered under the old Saudi trademark Law that was applicable before the Law. In the case No. 7810/1/k rendered in 2014, the BOG is referring expressly to article 2 of the OTL containing similar stipulations of article 3 al. 14 of the Law.

Conclusion

Trademark's protection similarly to the protection of any intellectual property right (referred to as IPR) will empower as mentioned above the kingdom's international trade and will create a stable environment for different investments.

The centralization of IPRs under the umbrella of the Saudi Authority of Intellectual Property (referred to as SAIP) established in 2017 to transfer and centralize the jurisdiction of the protection of all IPRs, including the trademarks, will lead us to a new era of excellence in IPRs protection.

Currently we are witnessing this transfer to the SAIP where the cancellation process of illegal trademarks will take place as well.

This study have exposed the trademarks' cancellation process analyzing the protection as stated by the NTL and implemented by the BOG referring to the cancellation process recognized by the OTL and other international legislations; more analyses are to come with SAIP established to go along with one of the aims of the vision 2030 empowering the kingdom's international trade.

References

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3. Regulation (eu) 2017/1001 of the european parliament and of the council of 14 June, 2017 on the European Union trade mark.
4. Regarding the importance of the distinctiveness of a trademark, please check:
5. Importance du caractere distinctif "Office de l'Union européenne pour la propriété intellectuelle, décision d'opposition du 13 mars 2019: www.legalis.net - Cour

- d'appel de Paris, pôle 5 – ch. 1, arrêt du 5 mars 2019: www.legalis.net.
6. P. Matheley, The French Law of the distinctive signs, Librairie du journal des notaires et des avocats, Paris, 1984, p. 66.
7. See in the same meaning the appeal decision n. 6530 of 2015: In this case the plaintiff is requesting the cancellation of the decision of the registrar accepting to register the trademark based on art 2 of the old TM Law al. h: The following signs shall not be considered or registered as a TM: “Statements that are liable to mislead the public or contain false information as to the source of the products or services or others descriptions of the products or services as well as trademarks that contain a fictitious, imitated or forged trade name.”
8. C. Boukhater: Domain names protection, Sader, 2005, p. 126 n. 102.
9. Check in the same meaning, Article 6bis: [Marks: Well-Known Marks]: Paris Convention for the protection of industrial property: <https://www.wipo.int/treaties/en/ip/paris/>
10. Nice classification, Class 25 for the protection of Clothing, footwear, headwear: https://www.wipo.int/classifications/nice/nclpub/en/fr/?basic_numbers=show&class_number=25&explanatory_notes=show&lang=en&menulang=en&mode=flat¬ion=&pagination=no&version=20190101.