

Advertising a Trademark online in the UAE is sufficient to prove prior use

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July - August 2014

Case Facts & Background

The Claimant, a sole establishment, filed an action before the Dubai Court of First Instance against another sole establishment, the Defendant, requesting the court to establish its ownership of a trademark and further to prevent the Defendant from using the trademark in the UAE pursuant to the Claimant's ownership rights to the trademark after being registered in Bahrain and Jordan. The Claimant had applied to register the trademark in the UAE but was surprised to learn that the Defendant had already registered the mark in its own name despite the Claimant's prior use of the trademark in the UAE.

The Defendant, in an attempt to prevent the Claimant from infringing the trademark and using it in the UAE, filed a counterclaim alleging ownership rights to the trademark based on its prior use of the mark in the UAE .

Court of First Instance

The Court of First Instance dismissed the claim and accepted the counterclaim filed by the Defendant.

Court of Appeal

The Claimant appealed the judgment to the Court of Appeal who overturned the lower court's judgment. The Court of Appeal confirmed the Claimant's entitlement to own the trademark in the UAE and highlighted the Defendant's lack of entitlement to use the trademark in the UAE. Further, the Court of Appeal ordered that the Defendant's trademark be deregistered and directed the Defendant to stop contesting the Claimant's use of the trademark.

The Court of Appeal based its decision on several points, notably:

- The Claimant's prior use of the trademark in the UAE. The Court of Appeal found that the Claimant had, on 14 December 2000, set up and registered a website, and that the Claimant's use of the website dated back to 16 July 2001, well before the first invoice was issued for the Defendant's brochure on 15 October 2001. The Court accepted that the website was used to promote the Claimant's services in the UAE. .
- The Claimant used the Trademark in question through advertisements in newspapers, magazines and catalogues and through its dealings with banks as well as on price lists and invoices, before the Defendant registered the Trademark in its name.

The Defendant appealed the Court of Appeal's judgment to the Court of Cassation.

Court of Cassation

Before the Court of Cassation the Defendant contended that the Court of Appeal erred in its decision and misapplied the law. The Defendant based its appeal on the following grounds:

1. The Court of Appeal erred when it relied on an expert's report which had confirmed that the Claimant had previously used the trademark since the establishment and registration of its website on 14 December 2000. The expert report stated that the Claimant had promoted its services in the UAE through this website since 16 July 2001, before the issuance of the Defendant's first invoice for its brochure on 15 October 2001 that incorporated the Trademark. The Defendant argued that the Court of Appeal was wrong to accept the findings of the expert report.
2. The Court of Appeal erred by ignoring the fact that trademark ownership is determined by prior use in the UAE rather than its registration in other jurisdictions, unless the trademark is used in the UAE. Further, the Defendant contended that a trademark announcement does not imply prior use as such announcement must be coupled with actual use of the mark or the service which the trademark distinguishes, whereas it is confirmed that the website clearly confirms that the the Claimant had no branch in Dubai when the website was set up and registered. The Defendant argued that the Claimant had asserted on its website that the branch would open on 4 August 2004. The Defendant contended that the first invoice for its brochure dated 24 March 2001 was before the establishment of the website on 16 July 2001.

The Court of Cassation dismissed the appeal and upheld the ruling of the Court of Appeal. In its decision, the Court of Cassation confirmed the following principles:

- The task of the court appointed expert was not to reveal the similarities or differences between the two Trademarks but to determine which of the parties had prior use of its mark in the UAE, which falls under the expert's competence.
 - A person who registers a trademark is considered to be the exclusive owner. When a mark is in continuous use for five years after registration, the rights in the mark become incontestable provided no legal action contesting ownership was pursued and won.
 - A trade name may be used as a trademark or part of a trademark. It is further settled that a trademark used in relation to goods is different from a trademark used in relation to services. A trademark can be used in relation to goods by displaying the goods or images of the goods or by virtue of their normal presence in public places or the like such that the goods, with their trademark, become something tangible to consumers. This is not possible for services which, by nature, are difficult to display and offer in the same way to the public.
 - The use of a trademark online, particularly a service mark, is evidence of use if the electronic address is actually a means for using and advertising the trademark in the UAE. The Court of Cassation set out a number of principles and standards as guidelines on the matter.
1. It is sufficient for a trademark to be used in relation to services that it be advertised in print or visual media, including the Internet.
 2. A person who creates and registers an electronic address with the relevant authorities obtains his own address which he is entitled to use in a particular manner and thus oblige others to respect.

An electronic address serves the same function as a trademark in terms of advertising and promoting the enterprise and its associated services and helping the consumer to identify the services from the web site. On that basis, the mere creation and registration of an electronic address constitutes use of the distinguishing marks of the enterprise and the trademark for the associated services in the context of the Internet.

The Court of Cassation held that the expert report confirmed that on 14 December 2000 the Claimant had set up a website on the Internet and confirmed that on 16 July 01 the Claimant used the web site to advertise its hair and nail care services before the Defendant's first invoice was issued for the brochure on 15 October 2001 which contained the trademark as part of its trade name.

The Court of Cassation therefore upheld the Court of Appeal judgment and confirmed that the Claimant had prior use of the trademark and was entitled to own the trademark in question. The Court of Cassation confirmed that although the Claimant had only set up its Dubai branch in 2004, the Claimant had started

advertising its trademark from 16 July 2001 through its website, enabling consumers to avail the service online and, that this is sufficient for it to have used the Trademark.