



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

October 16th, 2023

To all the Members of the AIPPI - UAE National Group

Subject: 9th Circular/ 2023 / Trademark Cancellation Actions for Non-Use: A Global Perspective

Dear all,

We hope you are all well.

We are pleased to share our latest circular with the group members to give some global prospective on the non-use of trademark issue. This circular is prepared by our UAE group secretary Hady Khawand and verified by our member Mark Devaney.

Introduction

Trademark protection is essential for brand owners to safeguard their intellectual property rights. However, maintaining a trademark involves more than just registration; it requires active and continuous use. In many jurisdictions around the world, there are provisions for trademark cancellation due to non-use, a legal mechanism designed to prevent trademark squatting and promote fair competition.

In this circular, we will explore trademark cancellation actions for non-use in several key jurisdictions, with a particular focus on whether evidence of use must be provided within the same country where the cancellation case is raised and exceptions to the territoriality rule.

I. Japan

Japan's trademark law (Trademark Act, Act No. 127 of 1959) requires use within Japan. Under Article 25(1) of the Trademark Act, a trademark can be cancelled if it has not been used for a continuous period of three years. The defendant typically needs to provide evidence of non-use within Japan. No explicit exceptions to the territoriality rule are commonly recognized.

II. China

China operates on a "first-to-file" system, making non-use cancellations less common. However, under Article 45 of the Trademark Law of the People's Republic of China (amended in 2019), a trademark can be cancelled if it has not been used for a continuous period of three years. Evidence of non-use within China is typically required, with no notable exceptions. However, trademark owners can now file a declaration of use to avoid cancellation, even if they have not used their trademark for three consecutive years.

III. European Union (EU)

In the European Union, EU trademark registration owners must use their marks within the EU to maintain protection. Under Article 18(1) of the EU Trademark Regulation (EU) 2017/1001, a trademark can be cancelled if it has not been genuinely used in the EU for a continuous period of five years. When a trademark cancellation case is brought the defendant typically needs to provide evidence of use within the EU. The use of the trademark in one or more EU member states is sufficient to constitute genuine use in the EU as a whole.

IV. United Arab Emirates (UAE)

In the UAE, trademarks must be used to maintain protection. Under Article 24 of Federal Law No. 36 of 2021 on Trademarks, a trademark can be cancelled if it has not been used for a continuous period of five years.

V. Other GCC Countries

Similar to the UAE, all other countries part of the GCC have very similar rules, whereby a trademark can be cancelled if it has not been genuinely used in the specific country of interest for a continuous period of five years. The defendant typically needs to provide evidence of use within the said country, and there are no explicit exceptions to the territoriality rule.

It is however to be noted that even though the countries that are part of the GCC have signed an Economic Agreement, yet, when it comes to cancellation for non-use, the situation is not similar to the one in the EU. In fact, the GCC Economic Agreement does not explicitly state that the GCC countries shall recognize each other's trademark registrations or that use of a trademark in one GCC country is sufficient to constitute use in other GCC countries. Additionally, there is no unified and centralized TM registration system law in the GCC similar to the EU, on the contrary, the trademark laws of the GCC countries are not fully harmonized, and there are many differences between the laws of the different countries. Based on the foregoing, it is not possible to deduce from the GCC Economic Agreement that genuine use of a trademark in one GCC country is considered to be use in all GCC countries.

Conclusion

Trademark cancellation actions for non-use are crucial for maintaining the integrity of trademark systems worldwide. While the territoriality rule typically requires evidence of non-use within the jurisdiction in question, exceptions may arise when trademarks are used in countries that are part of regional agreements or international treaties. Understanding the nuances of trademark non-use requirements in different jurisdictions is vital for brand owners and practitioners in the field of intellectual property.

Authored by: Hady Khawand
Verified by: Mark Devaney