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To all the Members of the AIPPI UAE Group

Subject: Reflections and insights on circular regarding the UAE Cabinet Decision No. 20 of 2020

The Communication committee at AIPPI UAE Chapter would like to start by wishing a HAPPY EASTER and RAMADAN MUBARAK to all members who celebrate both occasions during the month of April.

Further to our communications and circular sent to all members on April 6th, 2020, the Communication Committee of the AIPPI UAE - National Group have been working and discussing with members some reactions on this circular. They have also inquired on scope of new list of charges and whether the UAE Ministry of Economy will open the doors for more services to be provided to public since the same were mentioned in the Decision No 20 of 2020 (the "Decision").

The 104 different services provided by the UAE Ministry of Economy are very clear and direct. Many of these fees relate to trademark, patent and copyright protection which concerns AIPPI - UAE and its members. Many brand owners welcomed the initiative and will continue to be more determined to protect their intangible assets in UAE.

Some of those services are related to some of Study Questions that are being researched by AIPPI members within their groups. For instance, the Study Question Group working on "Filing, Examination and Registration of the temporary protection of Trademarks, Patents and Industrial Designs during Exhibitions and Expositions" is looking into the disclosed fees for temporary registrations which were included within the list of charges in the Decision. The outcomes will be very interesting and should set out some key targets for AIPPI - UAE to work on moving forward.

On another note, we arranged to have some short interviews and discussions with AIPPI - UAE members who hold in-house legal role in the UAE. We received some feedback on the impact of the Decision on IP owners and their strategies for continued with IP protection.

Munir Suboh from the Communications Committee interviewed i) Amira Fayad, Legal Counsel at Seddiqi Holding, ii) Norma Haddad, Legal Manager at Total UAE Services, and iii) Abier Wasouf, Regional Anti-counterfeit (Brand Protection) Counsel MEA, at Danfoss, whom we thank for making themselves available to share their feedback, comments and insights on the Decision and its impact on their businesses.

We set out below the questions along with answers received from both Abier and Amira:

- 1) Q1: Some business sectors face serious challenge to continue with their profitability. As IP rights remain a very important asset to protect, would you give us a short statement on how you would deal with protecting, i.e. registering and enforcing, IP rights in light of this fee reduction?**

"Amira: As a start, I want to highlight that Seddiqi Holding is mainly a representative of brands owners rather than a product brand owner. That being said, the biggest portion of our IP work is supporting our brand principals to protect and enforce their IP rights in our territory.

"As COVID-19 has affected the whole supply chain, this has a financial impact on all businesses and individuals globally. As businesses will open up post the immediate impact of COVID-19, in the medium run, business will start production in both legitimate and counterfeit industries. From medium to the long run, individuals would feel the financial impact as consumers for a long period of time which would push them to look for cheaper and alternatives of what they were used to buy before the crisis. In such circumstances, some cheaper alternatives could be counterfeits.

"Therefore, I would expect a boom in the counterfeit industry in a year time, the fact that should encourage businesses to invest further in the protection of their IP as a response to the long term impact of COVID-19. We, as representatives of brands owners will encourage our principals to look into such strategies.

"Government reduction fee for IP registration and protections is an extremely welcome initiative and a respected proactive measure that would safeguard the country's economy especially when trade and commerce along with innovation form core value of such economy."

Abier also commented on this question and added that the current situation will definitely lessen the pressure on the IP owners' budget. *"The fee reduction helps businesses to keep their IP rights protected. We can now file more trademarks, specifically 3-D marks, given the reduced official fees."*

Norma had a slightly different view on this and confirmed that its company, Total, *"is a major player in energy company and protecting IP rights is not optional"*. According to Norma, the company would register and protect its trademarks regardless of the cost implication. Whilst the fee reduction is highly appreciated and welcomed, the plan will continue for this year as planned earlier and cost reduction will not be considered as a direct incentive to take more action for registration.

- 2) **Q2: Budget is always a concern for in house IP counsels. Would you welcome this reduction to maximize your protection of assets or would you simply stick with what you planned to protect for 2020? Maybe this decision impact will be more visible in 2021?**

“Amira: As mentioned in (1) above and definitely we will have more visibility in 2021. I am not an IP expert, but I guess the revised fees are more realistic and in line with official fees in other jurisdictions and such alignment will help us in motivating the brand principals to invest more in their IP in the UAE.”

Norma emphasized on enforcement that the Decision will assist its company to take more enforcement and initiate litigation against infringers. She mentioned *“What we had planned for 2020 will remain the same regarding registration and renewals, however, since we might be making some savings on cost, this could be an incentive to allocate more budget for enforcement and litigation.”*

Abier also affirmed that she welcomes this reduction: *“IP in-house counsel truly appreciate the fee reductions as it will help us to do more protection, registration and enforcement with our existing budgets. We anticipate filing more trademarks and it will allow us to do more enforcement actions with the authorities in UAE since we expect the counterfeit activities to increase with the COVID-19 situation for our business line.”*

- 3) **Q3 : Any clarification that you feel we should seek from IP offices, such as renewal of fees for Industrial designs?**

“Amira: Yes, we believe that further clarity on this issue should be given along with clarification on whether the reduction of fees is a temporary measure or this is a change of strategy moving towards joining the Madrid System.”

Abier also confirmed that *“It will be great if the UAE Ministry of Economy and Trademark Office provides additional focus and guidelines on temporary trademark registration for exhibitions and mechanism of this protection. Also, the Copyright Office may wish to provide more insights on how enforcement in copyright infringement cases are handled and whether they allow for market inspections based on filing complaints and payment of nominal official fees.”* Norma agreed with this and will also welcome any new information and additional clarification on the matter.

We encourage each member in of the AIPPI - UAE National Group to reach out to our Communications Committee and our Executive Board to provide any feedback, suggestions and questions that you feel should be shared with the community.

(On behalf of the Communication Committee, this circular was authored by: Munir Suboh and verified by: Ziad Sunna)