



Sheikh Rashid Tower
Seventh Floor
Dubai World Trade Centre
PO Box 9204
Dubai - United Arab Emirates

7th circular dated September 28th, 2020

To all the members of the AIPPI UAE Group

- **Promising decision by Dubai First Instance Court to imply the role of Collection Societies**
- **Circular No (13) of 2020 issued by UAE National Media Council (NMC) to affirm no advertisements should cause confusion with other sources, i.e. support enforcement of trademark rights in social media advertisements.**

Dear all,

We refer to the above subject.

- **Dubai Court of First Instance- a Copyright precedent:
(Authored by: Nour Salem, verified by Bassel El Truk)**

Background

An interesting recent ruling was issued by Dubai Court of First Instance on August 25th, 2020. i The Plaintiff is a locally established company and licensee with exclusive regional sublicensing rights for an Indian record company. The Defendant is a local event management company. The Plaintiff brought the case in Dubai to seek collection of royalties resulting from the public performance of musical works in an event managed by the Defendant.

The Allegations

The Plaintiff's allegations mainly focused on:

1. It is a licensee with exclusive regional rights to sublicense on behalf of the copyright owners,
2. It has rights to license the “musical works and collect the royalties” in accordance with the UAE Copyright law, (Federal Law No. 7 of 2002.
3. The Defendant was put on notice of the Plaintiff’s rights prior to the event.
4. In spite of being on notice, the Defendant allowed for the public performance of musical works subject of copyright protection and falling within the scope of the exclusive licensing rights given to the Plaintiff by the respective copyright owners in the region without obtaining a license or prior approval from Plaintiff.

The Findings

The Court of First Instance found that:

1. The Plaintiff is an exclusive licensee, and authorized to exclusively license rights given by the copyright owners to exploit and collect royalties on their behalf,
2. The actions of the Defendant infringe the rights in the musical works through the public performance of such works at the event managed by the Defendant,
3. The Defendant is ordered to pay estimated royalty fees to the Plaintiff calculated on the basis of 5% of the total revenue of the event
4. The Defendant is ordered to pay 9% annual interest on the royalty due amount starting from the date of first judicial request representing the compensation for damages. The court rejected any further claim for damages on basis that the interest on the due amount of royalties shall cover such damages.

Conclusion

The importance of this case lies in that it has separated the right to the collection of royalties from that of compensation. It did not look into this case as a typical IP infringement matter giving rise to civil liability. It allowed for the collection of royalties separately from the damages caused by the infringement. This precedent brings the Dubai courts a step closer to separating rights in royalty collections from other IP rights in works and other claims. Once fully established, this principle may later be used by collection societies if and once set up and licensed by the UAE Ministry of Economy. This case is not a final decision. this decision is still subject to appeal before the Dubai Court of Appeal and the Dubai Court of Cassation.

- **Circular No (13) of 2020 issued by UAE National Media Council (NMC) to affirm no advertisements should cause confusion with other sources, i.e. support enforcement of trademark rights in social media advertisements.**

(AIPPI UAE Group - Communications Committee).

The UAE National Media Council passed circular (4) on September 9, 2020 to clarify to public some important rules in relation to advertisements, promotion and commercials run via various social media platforms.

One of the core restrictions introduced and emphasized in this circular is allegedly related to trademark protection. It adds one ground for online protection of trademark owners as it stipulates that the

advertisement “must be authentic... , and not lead to confusion with other names, products or services, and must not contain any false or misleading claims... ”.

We enclose a copy of this circular in dual format for all members reference.

We hope to find the circular is informative.

Thank you,

The Communications Committee - AIPPI UAE Group

September 28th, 2020