ILLINOIS STATE BAR ASSOCIATION

MARCH 2017 VOL 54 NO. 5

The Globe

The newsletter of the Illinois State Bar Association's Section on International & Immigration Law

Editor's comments

BY LEWIS F. MATUSZEWICH

In this fifth issue of *The Globe,* Patrick M. Kinnally's article, "National Security Entry-Exit Registration System (NSEERS) Is the Program Over?" is the fourth article he has contributed to *The Globe* during the current ISBA year. Pat, while serving as Chair of the international and Immigration Law Section Council, is also the most prolific contributor to *The Globe* and to other ISBA publications.

Lukas Wyss is with the Switzerland-based law firm of Bratschi Wiederkehr & Buob Ltd. This issue includes his article, "Multi-party contract and multi-party arbitration proceedings in Switzerland: What commercial users should know." Mr. Wyss' article, "Judicial review of arbitral awards in Switzerland – balancing procedural flexibility and compliance with fundamental procedural rights" appeared in the fourth issue of *The Globe* this year.

"Saudi Arabia: Final Steps towards Regional Trademark Law" by the Beirut, Lebanon-based Saba & Co. Intellectual Property s.a.l., previously appeared in the September, 2016 issue of *Intellectual Property,* the newsletter of the ISBA's Section on Intellectual Property Law, Daniel Kegan, Editor.

As always, thank you to all of our contributors.

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National Security Entry-Exit Registration System (NSEERS): Is the program over?

BY PATRICK M. KINNALLY

The most compelling test of a true democracy is how it treats those whom need it most. In that calculus choices are made. Policies are announced: some good, others, go amiss. The challenge being not to dictate nor appease. A common weal must be our goal, not what separates us. The latter is too easy. The purpose of this article is not to create anxiety but context.

In September 2001 after our country was attacked in New York, Pennsylvania,

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NSEERS: Is the program over?

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and the Pentagon by individuals from foreign nations. We were at war with an enemy but not a nation. Not since the Japan Empire attacked Hawaii had such an invasion occurred. In a way it made any student of history think of Executive Order No. 9066 (7 Fed. Reg. 1407 (1942). A proclamation by Franklin D. Roosevelt, authorized the segregation of persons of Japanese ancestry even American citizens as a result of the bombing in Pearl Harbor. This decree did not apply to those of German or Italian ancestry. It was later upheld by the U.S. Supreme Court. *Hirabayashi vs. United States* 320 U.S. 81 (1943); see also *Korematsu vs. U.S.* 323 U.S. 214 (1944).

Both *Hirabayashi* and *Korematsu* were opinions interpreting precepts based on a Presidential Executive order, later ratified by Congress which designated enforcement of that order to the military. It permitted the exclusion of persons of Japanese ancestry regardless of citizenship from a prescribed area of the Pacific Coast in the United States. This regimen was based on national origin, ancestry and race. New terms were created to distinguish Japanese residents. "Issei" were Japanese immigrants, precluded from obtaining citizenship.: "Nisei" were children who were citizens who were born in the Untied States. All were sent to various relocation centers, like Tule Lake where "loyalty hearings" were conducted by federal attorneys called "special inquiry officers". The Final Report of the military authority stated individuals of Japanese descent were "subversive", were part of an "enemy race" and whose "racial strains are undiluted". The military Commander, John De Witt, who enforced the Executive order was of the opinion that "A Jap's a Jap. They are a dangerous element, whether loyal or not". Of course, these maxims were promulgated at a time when our country had been physically blitzed in part, and war had been declared against the Japanese Empire. The Supreme Court observed that all legal restrictions which curtail the civil rights of a single racial group are immediately suspect but that pressing public necessity may sometimes justify the existence of such restrictions. It upheld the orders. (*Korematsu*).

Everyone of us remembers where we were on 9/11/01. It caused disturbing and unforgettable wounds. Who we were as a country, was violated.

Thereafter, the Department of Homeland Security (DHS) enacted an administrative rule (see generally, 8 CFR 261.1; 67 Fed. Reg. 52584 (2002) 67 Fed Reg. 70526 (2002) in response to 9/11. This fiat was called the National Security Entry-Exit System (NSEERS). The NSEERS plan bore some similarities to the *Korematsu* cases, due to the targeting of certain persons due to national origin. NSEERS was a response to a physical incursion of individuals into the United States, as opposed to a foreign nation. NSEERS resulted in registration for persons who were not United States Citizens or lawful permanent residents. It was a recoil: but it was not an illegal one. Congress has wide ranging authority to establish immigration criteria based on an alien's nationality or national origin. Congress has unmistakably stated the Attorney General has the authority to implement special regulations and forms for the registration of "aliens of any other class not lawfully admitted to the United states for permanent residence. 8 USC 1303(a). (See, *Kandamar v. Gonzales*, 464 F. 3d 65 (2006)

NSEERS was a counterpoise to the 9/11 attacks, since the invaders who flew the aircraft were here in the United States as F-1 nonimmigrants, or students; and, had originated in countries which were largely Islamic and Arabic speaking. In a word, they were bad people. But they were not representatives of foreign nations. The original countries to which NSEERS applied were Iran, Iraq, Sudan and Libya. As the policy expanded it covered more than 25 countries including North Korea.

For those of us working in the

The Globe

Published at least four times per year. Annual subscription rates for ISBA members: $25.

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immigration area at that time NSEERS was a grim reawakening as to the profound influence which resides within the federal government, so it can control certain non citizens living in the United States.

NSEERS was based on the following perspective:

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> Recent terrorist incidents have underscored the need to broaden the special registration requirements for non immigrant aliens from certain countries and other non immigrant aliens whose presence in the United States requires closer monitoring
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> ***
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> to ensure their compliance with the terms of their visas
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> ***
>
> and to ensure they depart from the United States at the end of their authorized stay; (67 Fed. Reg. 52584)

***

NSEERS did not apply to the United States citizens, lawful permanent residents, refugees and persons granted asylum in the United States. At first, the project was established to register those trying to enter the United States. Later, the Attorney General determined that any non citizen present in the United States from one of the designated countries was required to specially register with DHS due to national security concerns. The purpose of the program initially was to permit screening and fingerprinting of persons possibly holding views inimical to national security. More importantly, its focus was to create a database so DHS knew whom was in the United States either in, or out of status based on the person's nationality or national origin. Re-registration was required on an annual basis. I assume this database still exists.

Some persons caught up in the registration agenda may have been in the United States, and have overstayed their visas. Some were processed for removal hearings as the result of this enrollment. For example, a client of mine was required to register, and after being interrogated and detained was released on his own recognizance since he was an applicant for adjustment of status which later was approved. Also, I suspect it helped that he was a Christian of Syrian origin and I argued that fact. DHS claimed that NSEERS was not based on registrant's race or religion. It clearly was based on the individual person's national origin or status; religious belief also was a characteristic that was considered. To say otherwise, is poppycock.

The constitutionality of this regime seems apparent. Congress may permissibly set immigration criteria based on an alien's nationality or place of origin. The Supreme Court has stated repeatedly that "over no conceivable subject is the legislative power of Congress more complete that it is over the admission of aliens. (See, *Fiallo v. Bell*, 430 U.S. 787 (1977). And, with respect to the registration of aliens Congress has announced quite distinctly:

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> The Attorney General may in his discretion, upon ten days notice, require the *natives* of any one or more foreign states, or any class or group thereof, who are within the United States and who are required to be registered under this title, to notify the Attorney General of their current addresses and furnish such addition information as the Attorney General may require;
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> ***

8 U.S.C. 1305 (Emphasis Added)

That pronouncement is sweeping as to whom it applies. Read it again. It applies to *natives* of foreign countries: that might include naturalized citizens as well as others. Yet, the Supreme Court has stated quite clearly that deportation is required where there is an ongoing violation of United States law, *Reno v. American Arab Anti Discrimination Committee* 525 U.S. 471, 491 (1999) (See, also, *Hadayat v. Gonzales*, 458 F. 3d 659 (2006)

In November 23, 2016, the American Immigration Lawyers Association [AILA] sent a letter to President Barack Obama which said in part:

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> AILA urges your Administration to terminate the National Security Entry Exit Registration Systems (NSEERS) program by immediately rescinding the regulation creating the program at 8 CFR 261.1*** The NSEERS program is a shameful part of our country's past. Created on the wake of September 11, 2001, NSEERS required immigrants from 25 Muslim majority Arab, and South Asian countries to register their presence, fingerprints, and photographs with local immigration officers or officers at U.S. ports of entry. It targeted people based on national origin, race, and religion rather than legitimate intelligence information, and led to notorious ethnic profiling and civil rights violations
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(AILA. Doc. 16112332 (2016).

One month later the Obama administration rescinded the NSEERS registration rule. Fed. Reg. Vol. 81 No. 247. 94231. (12/23/2016).

We enter nettled terrain. There is little doubt that our federal government has the duty to protect us from those who would do us harm. Although we welcome that, at what price to our democracy? Should individual rights guaranteed by our Constitution succumb to discrimination based on national origin or religious affiliation? Our Supreme Court has declared "We must never forget that it is a constitution we are expounding," a constitution intended to endure for ages to come, and consequently to be adapted to the various crises of human affairs." (*Hirabayashi v. United States* at 320 U.S. 81, 100-101) A generative power of our constitution we should never discount.

Rules it seems are based on human attitude to those events which are most vexing. Their efficacy seem transient, perhaps, rueful. They need to endure

within the constitutional guarantees that protect those who are most vulnerable. The changing of the political guard should promote who we are. We as a nation believe in that: I know we must. The NSEERS program has now been abolished. The genesis for it is understandable. Yet, repeating history seems to me a mistaken task we need not revisit. The power in our federal government will tell us our next step in the democracy we cherish, and the path it prefers and eventually ordains. ■

Patrick Kinnally concentrates in general and commercial litigation, immigration and citizenship and administrative, environmental and local government law. Pat, currently Chair of the International and Immigration Law Section Council, can be reached at Kinnally Flaherty Krentz Loran Hodge & Masur PC by phone at (630) 907-0909 or by email to pkinnally@kfkllaw.com.

Multi-party contract and multi-party arbitration proceedings in Switzerland: What commercial users should know

BY LUKAS WYSS

In the best of all worlds, the contracts among these parties include identical, or at least parallel, dispute resolution clauses allowing one arbitral tribunal to resolve the dispute in an encompassing manner, thus ensuring that all aspects of the case are investigated and conflicting decisions are avoided. Experience shows, however, that the world is imperfect also in this context, which may render the adjudication of claims in a comprehensive fashion difficult and their enforcement onerous. It is therefore imperative to know the mechanics and pit-falls of potential multi-contract and multi-party disputes not only when they arise, but already at the negotiation and drafting stage. This article discusses the features of multi-contract and multi-party arbitration proceedings primarily under the Swiss Rules of International Arbitration and gives an overview of the corresponding ICC Arbitration Rules for arbitration proceedings having their seat in Switzerland[1].

Growing importance of multi-party disputes

During the last decade arbitration has become more complex because of an increasing number of multi-party and multi-contract disputes. Statistics published by the International Chamber of Commerce (ICC) show that in about 28% of the ICC arbitration cases more than two parties are involved. The importance of multi-party procedures is even more emphasised by the fact that many two-party disputes extend their effect to further parties, which also have an interest in the outcome of the case. Complex construction litigation or arbitration cases, for instance, regularly not only involve the general contractor and the owner of a power plant, of a production facility or of a office building, but also architects, engineers, subcontractors or sub-subcontractors. The same holds true, among others, for joint venture-related arbitrations or disputes resulting from corporate matters. The claims, as a rule, include direct compensation claims, counter-claims, cross-claims or recourse claims.

Adapted Institutional Arbitration Rules

The growing importance of multi-party disputes is not only reflected in the Swiss Code of Civil Procedure ("CPC"), which under certain conditions allows for the joinder of third parties and offers a new instrument in form of the third party action ("Streitverkündungsklage"; see art. 16 and 17 CPC), or the consolidation of related proceedings (for Swiss domestic arbitration, see also art. 376(1) CPC). In their revised versions, the 2012 ICC Rules as well as the 2012 Swiss Rules address various aspects of multi-contract and multi-party disputes, too. Questions of interpretation related thereto are governed by the law applicable to the arbitration agreement—the lex causae.

Joinder, intervention and consolidation

In the context of arbitration, the term "joinder" relates to the situation where, upon the request of an existing ("original") party to an arbitration, a third person not yet involved in this arbitration is ordered to participate in the proceeding, or where a third party is allowed to intervene into an existing proceeding ("intervention"). The "consolidation" of two proceedings, in contrast, allows two or more separate arbitrations, pending or to be initiated, to be merged into one single arbitration.

Joinder and intervention

Inspired by article 17(5) of the revised UNCITRAL Arbitration Rules of 2010, article 4(2) of the 2012 Swiss Rules provides that an arbitral tribunal may order the joinder or the intervention of one or more third persons either

1. where a party to a pending arbitral

proceeding requests that one or more third persons participate in the arbitration. This may be the case where the respondent in an arbitration wishes to file a counter-claim against the claimant and a third party, which is associated with the claimant, or which has contributed to the damage of respondent in another way. Example: the work owner files a claim against the general contractor, who, in return, files a counter-claim against the claimant and the civil engineer who was engaged by the claimant; or

2. where one or more third persons submit a formal application to participate in a pending arbitral proceeding ("intervention").

Example: the civil engineer, without being a party to the arbitration, wishes to assist the work owner in his claim against the general contractor because of potential recourse claims. The term "persons" instead of "parties" makes clear that such person does not necessarily become a "full" party—a claimant or a respondent—to the arbitration at issue, but may partake in another form of third-party participation such as the Swiss "Nebenintervention" or the US amicus curiae briefs. It is for the arbitral tribunal, upon consultation with all concerned parties including the person or persons to be joined, to decide on such request. For this purpose, the arbitral tribunal not only has to take into account jurisdictional issues (which are not separately addressed by the arbitration rules in this context), but also all other relevant circumstances, such as the status of a pending arbitration or the cost and time efficiency of a joinder or intervention. Because of the restrictive wording of art. 4(2) Swiss Rules as well as the consensual and confidential nature of arbitration, joining a third person to an arbitration without the consent of all involved parties is not permissible. Following the principles of contract interpretation under the lex arbitrii, i.e. in our setting, Swiss law, the consent may be explicit or implied. In case all parties are bound by the same contract and thus arbitration agreement, implicit consent will normally be affirmed if the third person(s) are full parties, i.e. claimants or respondents. This does not necessarily apply to other forms of participation such as the "Nebenintervention" or the submission of amicus curiae briefs, though, unless all parties come from jurisdictions where the participation at issue is admitted and, therefore, there is a consensus on such form of participation. In contrast, parties bound by different contracts and Swiss Rules arbitration agreements will, as a rule, not be deemed to have agreed to the consolidation of arbitration proceedings against their explicit will. This is all the more true for the third party or parties who, after the constitution of the arbitral tribunal, have no saying in the nomination of the arbitrators. In any event, the arbitral tribunal must examine whether a third party to be joined as a party to the arbitration is bound by the arbitration clause(s) forming the legal basis of the proceedings.

Although the Swiss Rules do not set any time limit for a request for joinder or intervention it is reasonable to assume that the more advanced the proceedings are, the less likely such request will be granted.

The ICC Rules of Arbitration provide for similar instruments: in its revised version of 2012, Art. 7 of the ICC Rules allows interested third parties to join a pending arbitration, provided they submit a formal request to the ICC Secretariat containing information on the arbitration agreement(s) under which the joinder is requested. Unless all involved parties agree otherwise, the joinder needs to take place before the confirmation or appointment of the arbitrators. In practice, a joinder under article 7 of the 2012 ICC Rules will most probably be used by the respondent: the claimant will file its claims against multiple respondents (if any) already in its Request for Arbitration. The additional party may file an answer to the Request for joinder containing cross-claims against any of the original parties to the arbitration and thus fully partake in the proceeding as a party (see art. 8(1) 2012 ICC Rules, subject to art. 6(3)-(7) 2012 ICC Rules).

Unlike article 4(2) of the 2012 Swiss Rules, article 7 of the 2012 ICC Rules does not permit a third party to join a pending ICC arbitration proceeding on its own motion (intervention) or to seek the joinder of a third party without the requirement of asserting a claim against it (e.g., as "third persons" or "Nebenparteien").

It is further noteworthy that Swiss case law and the dominant doctrine reject the "group of companies" doctrine, i.e. do not assume the jurisdiction of an arbitral tribunal in a dispute involving company A based on its jurisdiction against company B which belongs to the same group of companies as company A.

Consolidation of multiple arbitrations

Article 4(1) of the 2012 Swiss Rules allows the consolidation of two or more arbitrations if the cases are linked, for instance because of connected facts or similar legal issues, even if the parties to these arbitration proceedings are not identical. Under the Swiss Rules, the Court decides on the consolidation of a newly initiated arbitration with a pending arbitration upon receipt of the Notice of Arbitration and in consultation with all involved parties as well as with the already confirmed arbitrators (if any). In deciding whether to refer a new arbitration to an arbitral tribunal constituted for another case, the Court takes into account all relevant circumstances, including the connection between the cases and the progress already made in the pending proceedings to avoid unreasonable delay. Also, consolidation under art. 4(1) is only possible where the two (or more) arbitrations are subject to the Swiss Rules and compatible in terms of the seat of the arbitration (in our view, the seats of various arbitrations should, at least, be in the same country), the number of arbitrators, and the language of the arbitration. In particular, complicating the pending proceeding by admitting consolidation should be avoided. Although it is disputed whether the consent of all parties is required for the consolidation of arbitral proceedings or whether by choosing the Swiss Rules, the parties are deemed to have agreed in advance that the Court may decide, in the appropriate circumstances, to consolidate future proceedings (as various

prominent authors opine), the practice of the Swiss Chambers before introducing the revised 2012 Swiss Rules shows that the institution follows a restrictive approach when deciding on whether or not to admit consolidation, and consolidations without the consent of the parties are very rare. We may assume that this practice will continue to be followed under the 2012 Swiss Rules.

The Swiss Rules provide that when the Court decides to consolidate a new case with pending proceedings, the parties to all proceedings are deemed to have waived their right to designate an arbitrator, and the Court is entitled (but not bound) to revoke the appointment or confirmation of arbitrators to allow the arbitral tribunal to be newly constituted under sect. II. of the Swiss Rules. The power to revoke arbitrators in all concerned proceedings was established to grant the Court the right to appoint new arbitrators within the framework of the (consolidated) multi-party arbitration. This approach may make sense if the parties to the pending arbitration are not identical with the ones of the proceeding to be consolidated therewith.

Art. 10 of the 2012 ICC Rules follows a more limited approach: It allows the ICC Court to consolidate multiple related arbitrations (a) where all parties have agreed to it; (b) where all claims made in the arbitrations are made under the same arbitration agreement; or (c) where the claims are made under more than one arbitration agreement, the arbitrations are between the same parties, the disputes arise in connection with the same legal relationship, and the ICC Court finds the arbitration agreements to be compatible. Unlike article 4(1) of the 2012 Swiss Rules, however, no consolidation of multiple arbitrations will be ordered where the arbitrations are not between the same parties, unless consolidation is sought for claims made under the same arbitration agreement.

Claims arising out of multiple contracts

Although the Swiss Rules do not expressly cover the issue of claims arising out of multiple contracts, in the past, several arbitrations including multi-contract settings have been administered by the Swiss Chambers. Swiss law allows multi-contract proceedings if the ordinary jurisdictional prerequisites are fulfilled. In contrast, article 9 of the 2012 ICC Rules expressly allows claims arising out of several contracts and under several arbitration agreements to be brought in one proceeding, irrespective of whether such claims are made under one or more agreements under the ICC Rules.

Jurisdiction based on legal succession, cessation, transfer of contract and alike

Under Swiss case law, the jurisdiction of an arbitral tribunal to adjudicate a matter may not only be based on contractual agreement, be it direct (arbitration agreement) or indirect (by way of reference to arbitration rules, such as the Swiss Rules or the ICC Arbitration Rules), but also, among others, in case of succession, cessation, transfer of contract, or under the "piercing of the corporate veil" doctrine. In its decision FTD, 129 III 727, the Swiss Federal Tribunal furthermore held that a company which had been deeply involved in a project and was closely linked to the project owner was subject to the arbitration clause in the project contract.

Limits and opportunities of multi-party arbitration

The above considerations show that the arbitration rules chosen and the arbitration clauses drafted by the parties have a far-reaching effect on the question when and in which position third parties can be included into arbitration proceedings, and thus to the cost- and time-efficiency of such proceedings. In this context, the Swiss Rules of International Arbitration prove to be particularly flexible and well suited to serve as a dispute resolution setting for complex international multi-party or multi-contract disputes. Because of the Swiss Federal Tribunal's user-friendly approach, the same holds true for Swiss venues.

All arbitration rules, however, set limits to third party participation in arbitration proceedings, which makes it all the more important to carefully draft arbitration clauses in the first place. To avoid dispute resolution and enforcement problems, multi-party and multi-contract settings need careful consideration and alignment of the dispute resolution clauses in terms of the choice of the arbitration rules, the seat and the language of the arbitration, e.g. in project contracts as well as in the contracts of the general contractor with sub-contractors, architects or engineers. Furthermore, certain forms of multi-party arbitration, such as the joinder, intervention and consolidation should explicitly be admitted.

To add further flexibility to the overall dispute resolution setting, the parties may, for instance, opt for arbitration in the international project contract and agree on state court jurisdiction in the national sub-contractor contract. Adding in the latter that in case of disputes between the project owner and the general contractor, third party claims, joinders or consolidations are admissible, however, would then align both dispute resolution clauses.

In the absence of the alignment of the dispute resolution proceedings, however, the uncertainty in terms of jurisdiction does not only affect claimants. As shown above, under certain circumstances, respondents involved in a project having opted for state court dispute resolution may be drawn into arbitration proceedings. In such cases, they need to consider carefully their strategic options: on the one hand side, they may engage in fundamental opposition against the arbitral proceeding and plead lack of jurisdiction, or "race to the court" to fix their jurisdiction before being involved in the arbitration, in particular under EU case law (see, e.g., the Folien F case EuGH, 25 October 2012 - C-133/11). Or they may attempt to negotiate the terms of their cooperation and full participation in the proceeding.

Conclusion

We may conclude that complex contracts often result in complex disputes. Careful drafting of the dispute resolution clauses in related contracts as well as a thorough analysis of the strategic options in case contractual conflicts arise at the horizon, however, allow resolving multi-

party and multi-contract disputes by arbitration in a comprehensive and efficient way. ■

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1. For more extensive commentaries on this subject, see, e.g., PHILIPPE BÄRTSCH/ ANGELINA M. PETTI, in: Tobias Zuberbühler / Christoph Müller / Philipp Habegger (eds.), Swiss Rules of International Arbitration, 2nd ed., Art. 4 N 1 et seq. Swiss Rules; ANDREA MEIER, in: Manuel Arroyo (ed.), Arbitration in Switzerland – The Practitioner's Guide, chapter 13 N 1 et seq.; DANIEL GIRSBERGER / NATALIE VOSER, International Arbitration in Switzerland, 2nd ed., p. 62 et seq., 98; TARKAN GÖSKU, Schiedsgerichtsbarkeit, Dike Verlag AG 2014, p. 198 and 211 et seq.; LUKAS WYSS, Aktuelle Zuständigkeitsfragen im Zusammenhang mit internationalen kommerziellen Schiedsgerichten mit Sitz in der Schweiz, Jusletter 25 June 2012, p. 19 et seq.

Saudi Arabia: Final step towards Regional Trademark Law

SABA & CO. INTELLECTUAL PROPERTY S.A.L. (BEIRUT LEBANON)

The new GCC Trademark Law and Implementing Regulations were published in the Saudi Official Gazette on July 1, 2016. The Law is expected to enter into force after 90 days from the publication date.

The GCC Trademark Law, unlike the GCC Patent Law, is a unifying, not a unitary law. The Law was issued in 2006 and revised in 2014. It stipulates a set of provisions that will be applied uniformly across all the GCC countries, in regards to the prosecution and enforcement of trademark rights. It does not offer a unitary registration system, however. The Trademark Offices of each GCC country will remain as the receiving office, and registering a trademark across the six GCC countries will still require filing six separate national trademark applications. Furthermore, the official fees are not expected to be unified and will vary depending on the individual overhead costs of the different TMOs involved.

The definition of a trademark has significantly expanded. Article 2 of the Law includes color marks, sound marks, and smell marks as trademarks, suggesting that it will be possible to secure registrations of unconventional trademarks across the GCC.

The registration requirements have also been updated and now include a provision for foreign words, which entails providing certified translations of the word or phrase and an indication on how to pronounce it in Arabic, as per Article 4 of the Implementing Regulations.

The examination process is harmonized now, with applications being examined within 90 days from the date of submission. The TMO will then notify the applicant of the decision. There is a 90 day period to respond to office actions from the date of notification before the application is considered abandoned. The new Law also talks about the establishment of a Grievances Committee. Examination decisions can be appealed before this Committee before taking the case up to the Court.

The Law introduces new border measures authorizing Customs officials to seize suspected products either on an ex-officio basis or following a complaint. The Law also clearly states that the Courts shall order the destruction of products if proven to be counterfeits, and if destruction is not possible, the Courts shall not return the products back to the channels of trade or order re-exportation. There are however a number of issues that remain unclear at this stage when it comes to implementation.

Other features of the new GCC Trademark Law include:

- Claim of priority, based on an earlier-filed foreign application, is possible
- Trademark applications accepted by the Registrar will be published for opposition purposes. Oppositions must be filed within 60 days from publication date
- Trademark registrations are valid for 10 years from filing date and are renewable for like periods. There is a grace period of six months for late renewals
- A trademark is vulnerable to cancellation by any interested party if there has been no effective use of the mark for a period of five consecutive years after registration
- The Law recognizes famous trademarks that are well-known in the GCC member states and shall ensure protection thereof even if the marks are not registered
- The Law gives the right to trademark owners to initiate civil and criminal actions against any infringing party. Penalties include a maximum of five year imprisonment and payment of fines of up to US $270,000.

Should you have any questions, or require any additional information, please contact us at news@sabaip.com ■

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Illinois Bar Center
Springfield, Illinois 62701-1779
March 2017
Vol. 54 No. 5

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