November 21, 2012

Draft Amendments in Track Changes

Trademarks Law

Chapter 1

General Provisions

<u>The Basis</u>

Article 1:

This law has been enacted in the light of the provisions of Article 11 of the Constitution of Afghanistan.

Objective

Article 2:

The objectives of this law are as follows:

- 1. To regulate affairs related to trademarks registration
- 2. To use trademarks to identify and distinct goods, products or industrial, commercial, telecommunications and agricultural services.

Terms

Article 3:

In this law the following terms shall have the meanings given below:

- 1. Trade Name: is a name or a title which introduces and specifies the status of natural and legal persons.
- **1.2. Trademark:** is a mark/sign or mixture of marks which can distinguish the goods or services of one undertaking from the goods or services of other undertakings.means a mark or combination of marks that can distinguish goods or services from other goods or services.
- 2.3. Well-known mark: means a mark that is prevalent in more than two countries or on international level.
- 3.4. **Registration Fee:** means a fixed amount of money paid by the trademark owner to the government account for registration of his/her trademark with the Central Business Registry (Trademarks Registration Section).
- 4.<u>5.</u> **Transfer of Trademark**: refers to the process in which the ownership of trademark is transferred from one person to another and includes sale, donation, inheritance etc.
- 5.6. **Owner of Trademark**: refers to the person to whom the trademark is legally transferred (by registration, sale, donation, inheritance etc) and there are no legal impediments in his legal repossession.
- 7. Use of Trademark: refers to the use of trademark by its owner in an exclusive manner.
- 6.8. Collective Mark: is a sign, owned by an association responsible for ensuring users' compliance with applicable standards, which distinguishes the geographical origin, material, mode of manufacture or other common characteristics of goods or services of different enterprises using the collective mark.

Types of Trademarks

Article 4:

Trademarks shall include (one or more) names, words, signatures, letters, <u>numerals</u>, figures, <u>combinations of colors</u>, drawings, titles, seals, pictures, inscriptions, advertisements, templates or any other mark or a combination thereof.

Use of Trademarks

Article 5:

Use of each one of the trademarks specified in Article (4) of this Law shall be optional, unless the Ministry of Commerce and Industry or the Central Business Registry (Trademarks Registration Section) has made their use mandatory.

Request for Registration of Trademarks

Article 6:

- (1) A person desiring to have the exclusive use of a trademark to identify and distinguish goods of his own production, manufacture, selection, or in respect to which he has been issued a certificate, or goods in which he intends to trade, may apply for registration of such trademark in accordance with the provisions of this law.
- (2) Where the mark for which registration is sought is a collective mark, the association responsible for ensuring users' compliance with applicable standards may apply for the registration of such trademark in accordance with the provisions of this law.

Application of the Law

Article 7:

The owners of commercial, industrial, telecommunications, agricultural, professional or service organizations in Afghanistan, both domestic and foreign, can enjoy the benefits of this law provided that their respective trademarks have been registered in accordance with the provisions of this Law.

Prohibition against Use or Registration

Article 8:

The following symbols may not be used or registered as trademarks:

- 1. National flag, state emblem and other official logos and those related to domestic or international organizations or institutions or any foreign county, unless their use is authorized in writing.
- 2. Adytum and pulpit or any marks which are identical or similar to symbols of a purely religious nature.
- 3. The pictures of national leaders and high-ranking government authorities.
- 4. Words and phrases that could be confused with the government departments.
- 5. Marks of official organizations such as: the Red Crescent, the Red Cross, or any other similar symbols as well as any mark which is an imitation thereof.
- 6. Any mark that is in conflict with chastity, morality and public order.
- 7. A mark which is not distinctive in character or property or where the mark consists of names commonly given by tradition to goods, products or services, or familiar drawings

and ordinary pictures of goods and products. Such marks may be used generally, but may not be used or registered, and shall not be given any protection, as a trademark.

- 8. Geographical <u>publicities_names_</u>where the use thereof may cause confusion as to the origin or source of the goods, products or services.
- 9. The name, surname, photograph or emblem of a third party, unless he/she or his/her heirs' prior consent to use has been obtained.
- 10. Marks which may mislead the public or which contain false or deceptive information as to the origin, source, or any other characteristics of the goods, products or services.
- 11. Marks containing an imaginary, imitated or forged commercial name.
- 12. Marks related to natural or legal persons and the use of which is prohibited.
- 13. Trademarks of companies publicized and disseminated in Afghanistan, unless authorized by their owners.
- 14. Identical or confusingly similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered, unless such use or registration is by or with the authorization of a the owner of the registered mark.
- 14. Marks or commercial signs related to identical goods or services or similar registered trademarks or symbols.
- 15. The registration of a mark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark determined to be well-known in Afghanistan for identical or similar goods. Unless the applicant is owner or legal representative of owner for an international will-known mark.
- 15. Marks which are used for specific purposes.
- 16. When an essential part of the mark constitutes a reproduction of any such well–known mark, or an imitation liable to create confusion therewith.

Chapter 2

Ownership and Registration of Trademarks

Proprietorship of a Well-known Mark

Article 9:

- (1) The proprietor of a well-known trademark or service mark may enjoy the rights conferred by the provisions of this law, even if such mark is not registered in Afghanistan.
- (2) Protection of registered well-known marks shall extend to goods or services which are not similar to those in respect of which the mark has been registered, provided that use of that mark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered mark, and- provided that the interests of the owner of the registered mark are likely to be damaged by such use.

The owner of a well known mark may enjoy the rights conferred by the provisions of this Law, even if such mark is not registered in Afghanistan. The Central Business Registry (the Trademarks Section) shall be obligated to reject any trademark application similar to any such well-known international mark, unless the applicant is the owner or an agent of the owner of the well known mark.

Registration

Article 10:

Natural and legal persons may apply for registration of a trademark either personally or through their respective legal representatives.

The Central business Registry (the Trademarks Section) shall be obligated to enter the contents of trademarks into the registration book and give or send receipt thereof to the applicant.

If the application for trademark registration is filed in a oreign country that treats Afghanistan on reciprocal terms, the applicant or its successors acquiring the rights, may, within a period of six months following the date of filing, submit in Afghanistan a similar application concerning the same trademark and governing the same goods, products or services of the previous application in accordance with the provisions of this law and the rules of the Central Business Registry (Trademarks Section). In such a case, priority shall be determined based on the date of the application filed in the foreign country.

Acceptance or Rejection of the Application Article 11:

- 1. The Central Business Registry (the Trademarks Registration Section) shall be obligated to review the applications from the point of view of their form, nature and their compatibility with the provisions of the present law and shall either accept or reject the application within 30 days from the day of the receipt of the application. In case of rejection, the Central Business Registry (the Trademarks Registration Section) shall be obligated to clearly mention the reasons for rejection. In such a case, the applicant may, within 15–30 days seek the remedy and resubmit his application to the Central Business Registry (the Trademarks Registry (the Trademarks Registry to the local commercial court.
- 2. Where the applicant for registration does not take action concerning refusal of the reasons or does not resort to the court within the period set forth in paragraph (1) of this Article, he/she shall be deemed as to have ignored his/her application.
- 3. The Central Business Registry (the Trademarks Registration Section), shall also be obligated to reject the application for trademark registration, under the following circumstances:
 - 1) Where the trademark is in contrary with the provision of Article (9) of this law.
 - 2) Where the trademarks have been registered previously under the name of a third person and/or are identical to the previously registered trademarks. application concerns an identical or similar sign for goods or services which are identical or similar to those in respect of which a trademark is registered, where such use would result in a likelihood of confusion.

Application for Registration

Article 12:

The following must be strictly observed when registering each of the trademarks and collective marks:

The followings must be strictly observed when registering each trademark:

- 1. The registration date (including day, month and year) in words.
- 2. Name, occupation, address of the residence and citizenship of the applicant for trademarks registration; and where the application for registration is made by a legal representative of the applicant, the same information shall also be needed concerning his/her legal representative.

- 3. Name, description and nature of goods, products and/or services for which the trademark is intended to be used.
- 4. Explanation of symbols and expressions used in the trademark and definition of their components, if any.
- 5. Full payment of the entire payable registration fees.

Registration of Changes

Article 13:

- 1. Where changes are made to a registered trademark, or to the goods, products or services for which the trademark has been registered, such changes shall be registered separately in the Central Business Registry (in the Trademarks Registration Section) taking into account the provisions of this law, otherwise they shall not be valid.
- 2. The owner of the registered mark may request in writing the insertion of any additions or modification to his/her mark provided they do not substantially affect the registered mark or its identity. Similarly, he/she may take action concerning omission of goods, products or services which constitute the subject matter of the trademark.
- 3. Any other changes to the registered mark or the goods, products or services to which the trademark relates shall take place on the basis of new application for registration of trademarks.

Correction of Print Error in Registered Trademark

Article 14:

Where a trademark is reproduced in a dictionary, encyclopedia or a similar reference work without indications that it is registered, and where it is likely to give the impression that it constitutes the generic name of the goods, products or services for which the trademark is registered, the publisher shall, at the request of the owner of the trademark, correct such fault in the next edition.

Non-registration in the Name of Representative

Article 15:

Agent or representative of the owner of the trademark cannot register the trademark in his/her own name without agreement of the owner.

<u>Using the Name and Address of the Owner of the Trademark</u> Article 16:

The owner of a trademark may prevent other individuals or entities from using in the course of trade his/her own name or address, indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of the goods or of rendering of the services, or other characteristics of the goods, products or services, unless such use conforms to lawful practices in industrial or commercial matters and permission of the owner has been obtained in this regard.

Transference of Trademarks Article 17:

Trademarks are transferable and the transfer shall be valid if recorded separately with the Central Business Registry (Trademarks Registration Section) in accordance with the provisions of this law and the relevant regulations.

Publication of the Registered Trademark

Article 18:

- 1. The owner of the trademark shall be obligated to submit the registered trademark and the changes therein on his own expenses within 15 days of the registration thereof for publication in the official gazette; he/she may also publish the trademark in other mass media.
- 2. The registered trademark which is sent for publication in the official gazette shall contain the following information:
 - 1) Trademark Registration Date
 - 2) Trademark Display
 - 3) Application Date
 - 4) List of goods, products or services relating to the trademark
 - 5) Classification of goods, products and services
 - 6) Name and citizenship of the owner of the trademark and names of agents (if any)
 - 7) Occupation
 - 8) Country and address of the office of notary public of the owner of trademark
 - 9) Changes related to the trademark and the rights requested by the applicant
 - 10) Other instances foreseen in this law
- 3. The Central Business Registry (Trademarks Registration Section), may, upon request, furnish the requested parties with a copy of the list of trademarks against payment of a fixed amount of fee.

Trademarks Protection

Article 19:

The trademarks shall be protected [supported] from the date of the submission of the application to the Central Business Registry (Trademarks Registration Section).

Validity Period of Trademarks Registration

Article 20:

- 1. The validity of a registered trademark is 10 years, and theis period can be renewed an indefinite number of times upon the request of the owner of a trademark. A registered trademark shall be valid for a period of ten (10) years, which may, upon request by the owner, be extended for successive 10 year periods.
- 2. The owner of the trademark shall be obligated to submit his/her application for renewal to the Central Business Registry (Trademarks Registration Section), within six months prior to expiry of the period set forth in paragraph (1) of this Article.
- 3. The owner of the trademark cannot, during the course of renewal, bring changes in the registered trademark or in the list of goods, products or services for which the trademark has already been registered.

Ownership of the Trademark Article 21:

The ownership of a trademark belongs to the person that used it for the first time, unless proven otherwise by a court.

Termination of Ownership of the Trademark

Article 22:

The right to ownership of the trademark shall terminate in the following cases:

- 1. Cessation of trade, industry, agriculture and services, which may relate to ownership of specific trademarks.
- 2. Sale or other transfers of the right of ownership to a third party in accordance with provisions of law.
- 3. Failure to apply for renewal of the trademark registration right within six months of expiration of the registration in accordance with the provisions of paragraph (2) of Article (20) of this Law.
- 4. When registration is formally cancelled by the commercial court based on a petition by an interested party and on a showing of at least three uninterrupted years of non-use of the mark by the owner. No cancellation on these grounds may take place if the mark owner shows valid reasons for non-use, including circumstances arising independently of the will of the owner, such as import restrictions or services associated with the mark. Use of mark by another person but subject to the owner's control shall be recognized as use of the mark for the purpose of maintaining the registration. Where it is proved that the trademark has not been used for three consecutive years, the relevant commercial court may, on the request of interested person, issue order concerning termination thereof, unless the owner of the trademark (the first person) provides justification for the non use thereof within the specified period of time. In such circumstances, the trademark shall be registered taking into account the provisions of this Law.
- 5. Issuance of ownership termination order by an authorized court.

Production and Supply in Famous Geographical Area

Article 23:

- 1. Where the name of a famous geographical area has been registered as part of the trademark, the owner thereof shall be obligated to manufacture goods and products or render services in the same geographical area.
- 2. Natural or legal persons cannot, by use of various means, introduce or designate any goods, products and services in a manner contrary to the factual relevant geographical area in order to mislead the public.
- 3. Natural or legal persons who embark on manufacturing goods, products or rendering of services in the well-known geographical area cannot use the geographical symbol in respect of similar goods, products or services being manufactured or delivered in other areas in such a manner as to show as if the said goods, products or services have been manufactured and rendered in the well-known geographical area.

<u>Use of Famous Names</u> Article 24: Natural or legal persons may use such geographic indications and names as are used in commercial terminology to describe relevant goods, products or services unless such common geographic indications are found to be misleading according to the provision set forth under Article (31) of this law.

Chapter 3 Objections

The Right to Object

Article 25:

The following persons may object in relation to a trademark that has been applied for or registered already:

- 1. A person who claims the ownership of the trademark.
- 2. A person who has a similar trademark that can cause mistakes among the customers.
- 2.3. Any interested party may file an objection based on Articles 8 or 9 of this Law to a trademark which has been requested or registered.

How to Object

Article 26:

- 1. Interested persons or their legal representatives may submit their objections in writing or through the registered post to the Central Business Registry (Trademarks Registration Section) in relation to trademark registration within (30) days of the publication thereof in the official gazette.
- 2. The Central Business Registry (Trademarks Registration Section) shall, within (15) days of the receipt of the objection, be obligated to furnish the applicant for the registration of trademark against whom the objection has been raised with a copy thereof.
- 3. Where the applicant for registration did not withdraw his/her application within (30) days of being notified of the objection by the Central Business Registry (Trademarks Registration Section), the person objecting may, within (60) days, lodge complaint with the relevant commercial court. The registration process shall be suspended during this period.
- 4. Where the objecting person fails to have recourse to the court within the time prescribed under paragraph (3) of this Article, or did not pursue his/her application, in such a case the trademark shall be registered in the name of the person who has applied for registration and the person objecting shall not be eligible for reimbursement of any paid registration fee.

Manner of Objection on Transfer and Alteration of Trademark:

Article 27:

In case where the objection is made regarding registration of trademark transfer or registration of trademark alteration or regarding registration of changes in manufactures or products to which

the trademark is given for identification and recognition purposes, the provisions set forth for objections shall be applicable.

Court Decision

Article 28:

- 1. The relevant commercial court shall, while hearing the application of the parties to the dispute, take decision concerning admission or rejection of the registration in view of the reasons being provided.
- 2. The final decision of the court shall be published in an official newspaper the cost of which shall be borne by the prevailing party. The prevailing party may request such costs as remedy of losses from the losing party.

Use of the Trademark

Article 29:

Where the objecting person proves that the trademark being objected to, has been continuously used by him/her, in such a case the commercial court shall issue order concerning registration of the trademark in his/her name. Where the trademark has already been registered in the name of the person applying for registration, its registered name shall be omitted and the commercial court shall issue order concerning registration of the trademark in the name of the objecting person.

Time Limits for on Filing an Objection

Article 30:

- 1. The time limit for initiating an objection against a registered mark shall be two years from the date of publication.
- 2. In the case of a well-known mark, the time limit for initiating an objection against a registered mark shall be five years from the date of publication.
- 3. Persons who do not lodge an objection against the registration of a mark within the periods stated in the first and second paragraph of this article, shall waive their objection.

4. There is no time limit for initiating an objection against a mark registered in bad faith. The period of limitations for hearing the proceeding related to registration of trademark shall be one year, and the claim of those who fail to object thereto within the said period following the registration date of the trademark shall not be accepted for hearing.

Chapter Four Punishments

Violations, Damages and Criminal Penalties

Article 27:

- 1. In case of a violation of the following conditions, according to the situation and damages caused, compensation, as well as expenses, including appropriate attorney's fees, shall be paid: A person shall, on account of the following violations, be convicted, as the circumstances may warrant, make compensation in proportion to the damages being incurred:
 - 1) Unauthorized use in the course of trade of signs referenced at Article 8.14 of this Law, where such use would result in a likelihood of confusion.
 - 1)2) In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. Falsify or forge a trademark which is already registered with the Central Business Registry (Trademarks Registration Section) in accordance with the provisions of this law or use them in such a way as to mislead the public.
 - <u>2)3)</u> Deliberate use of forged or imitated trademark.
 - <u>3)4)</u> Use of trademark belonging to a third party for his/her own commercial products without the consent of the owner thereof.
 - 4)<u>5)</u> Deliberate sale, supply for sale, distribution or possession of goods, products or services bearing forged, imitative or unlawful mark.
 - 5)6) Use of mark set forth under Article 8 of this law.
 - 6)7) Mention of medals, diplomas, rewards or grades of distinction in respect of goods, products or services which may not relate thereto, or in respect of commercial institution or entity, which it may not have acquired in fact.
 - $\frac{7}{8}$ Use of distinctions [privileges] being granted to the goods, products to be displayed in exhibition, or common services unless the source and nature of the said distinctions are clearly indicated.
 - 8)9) Use of geographical indications of a famous area in manufacturing goods, products or fixed services on the goods, products or services in such a manner as to indicate as if such goods, products or services have been manufactured and created in the said area, and resulting in misleading the public.
- 2. In case of repeating violation as provided for in paragraph (1) of this Article the violator shall be convicted of double compensation of damages being incurred. or a term of imprisonment not less than 6 months and not exceeding one year.
- 2.3. Persons found guilty of willful counterfeiting Trademark and violation on a commercial scale in Afghanistan as provided for in paragraph 1 of this article shall be sentenced to at least one year but no more than three years' imprisonment, and shall be fined an amount of at least 50,000 but not more than 100,000 Afghanis. In both cases, the adjudicating court may order seizure, forfeiture and destruction of infringing goods, and of any materials or implements used to commit the violation. Sanctions imposed under this paragraph must be sufficient under the circumstances to provide a deterrent to future violations.

Violation: Injunctive Relief Claiming Compensation of Damages Article 32:

In case of a violation referenced under Article 31(1) of this Law, a mark holder may request a court order requiring the violator to desist from such violation, including an order preventing the entry into the channels of commerce in Afghanistan of imported goods that involve a violation of a right arising under this Law, immediately after customs clearance of such goods.

The person incurring losses may, on account of falsification in the trademark, ask for prohibition on the use thereof and claim compensation of losses from the perpetrator.

Confiscation of Goods and Shutting down of the Work Site

Article 33:

The competent court shall, in addition to convicting the violator of punishments provided for in this chapter, order confiscation of goods and the products constituting subject matter of the violation, sums acquired as the result of the violation, means being employed in perpetration of violation, as well as closing down of the work site for a period of six months, and in case of repeated violation, stoppage of work for ever.

Chapter Five Miscellaneous Provisions

Registration Fee

Article 34:

- 1. The An owner is responsible to pay specified amounts in return for application papers and registration and renewal of a trademark, the amounts and deadlines for which will be determined by the Ministers' Council.owner is obliged to pay a specific amount determined by the Council of Ministers as registration fee for the application and registration of trademark.
- 2. The amount set forth in paragraph (1) of this Article shall be submitted to the bank to government income account.

Enactment of Regulations

Article 35:

For better implementation of the provisions of this law, the Ministry of Commerce and Industries may develop regulations and enact by-laws and procedures.

Enforcement Date

Article 36:

This law shall be enforced upon signature by the president and shall be published in the official gazette. With the enforcement of this law, the Trademarks Code published in official gazette # (100) of 1339 shall be repealed.