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Branding in the Middle East: how to seize opportunity amidst conflict

A rapidly-growing consumer base has driven a steady march of ever-more western and regional brands into the Middle East, writes Jeroen Lallemand, Director of Marketing, IP Solutions, Thomson Reuters

The “westernisation” of the Middle East is a powerful topic, capable of simultaneously inciting war and launching a consumer revolution. Decades of civil unrest in the region have been rooted in the clash between modern and ancient cultures and the growing influence of new technologies, arts and entertainment. Meanwhile, as the consumer base continues to expand and is attracting a growing number of western and regional brands.

US pizza chain Papa John’s celebrated the opening of its 100th unit operating in the Middle East this past July and General Motors has announced plans to expand its network of auto showrooms in Saudi Arabia by 29% to 142 locations by 2014.

As the outside world has begun to take note of this once cloistered region as a new frontier for consumer opportunity, companies have got serious about securing trademark protection for their brands there. Likewise, as the individual countries of the Middle East have begun to recognise the opportunity to compete in a global marketplace, their intellectual property enforcement infrastructures have grown to meet the increased demand.

Despite this rapid growth, the Middle East does present a number of unique challenges for multinational brands. How can firms develop successful brand strategies in a region with such diverse cultural and socioeconomic footprints?

Trademarks by numbers

“We’ve seen a real up-tick in the last five years among our clients seeing the Middle East as a viable business opportunity. Both European and US brands are selling well there and – as a result – we’ve seen a steady increase in the number of companies looking to protect their brands in the region,” says Christopher J Schulte, an attorney specialising in trademark law at

Merchant & Gould, a law firm based in Minneapolis, MN.

Data tracking trademark filings using SAEGIS on SERION® from Thomson CompuMark reinforces Mr Schulte’s sentiments. The top five trademark countries in the Middle East, (UAE, Saudi, Arabia, Israel, Egypt and Jordan) have a combined growth of more than 600% over the last 22 years. On a country-by-country basis, Israel has published 144,500 trademarks, the UAE has published 133,963 and Saudi Arabia has published 118,380 in that time.

According to Charles Sha’ban, executive director at Abu-Ghazaleh Intellectual Property, a firm specialising in patent and trademark law, this trend is evident throughout the region and across all industries: “The pharmaceutical industry has been the leader in trademark filing in the region, but over the past 10 years we’ve begun to see many high technology and consumer companies grow more protective of their brands. Now, all sectors are showing interest.”

The top five trademark classes receiving the most registrations in the Middle East during the study period were Class 5: Pharmaceuticals, Class 9: Electrical and Scientific Apparatus, Class 35: Advertising and Business, Class 3: Cosmetics and Class 30: Staple Foods. Johnson & Johnson, Sanofi and GlaxoSmithKline were the top three trademark registrants in the Middle East in 2011.

Navigating political and civil unrest

“Geopolitical events on the scale of what’s been happening in the Middle East over the last several years can have a profound effect on IP strategy for multinational brands. When you have conflicts like the Arab Spring, the current conflict in Syria or even Iraq, where the patent and trademark office was damaged, trademark processing can be severely disrupted,” says Merchant & Gould’s Schulte.

Civil unrest is a reality for brands doing business in the Middle East. While it is impossible to generalise across the entire region when it comes to measuring the effects of conflict, most brands identifying the Middle East as an area of expansion

need to be mindful of the potential for an unexpected change in the political and social climate.

Specialists in Middle Eastern IP law suggest that the best approach to managing the region’s inherent uncertainty is to work with consultants who know the intricacies of each regional office and can help manage the administrative process.

Navigating IP hurdles

Cost is also an issue. While the IP infrastructure in the Middle East is growing to meet the demands of an increasingly globalised economy, it can still be very expensive for brands to protect themselves in the region.

Sha’ban explains: “Most of the countries of the Middle East are now trying to become part of international treaties, such as the Madrid Protocol. We have begun to see this develop with patents, whereby a centralised patent office allows you to patent in six different countries via a single application. Plans are underway to implement a similar approach for trademarks.”

Until then, brands looking to secure protection for their marks across the Middle East must do so on a country-by-country basis. That means juggling a number of different nuances in filing protocols, actively managing several applications at once and – most significantly – paying for each application separately.

While there is no perfect, one-stop-shopping strategy for protecting multinational trademarks in the Middle East, with the right cultural know-how, investment of time and resources, and partnership with Middle East IP specialists, brand owners are in the best position in years to build a strong consumer base in the region.

Jeroen Lallemand is the director of product marketing for the IP Solutions group at Thomson Reuters covering trademarks, patents & standards, and IP management services.