

(CONFIDENTIAL)

The Brand Owners Protection Group BPG” – GCC & Yemen

The General Meeting- February 25th, 2016

Media Rotana
Dubai, United Arab Emirates

Attendees

Chairman – Elie Atallah
Coordinator – Yara K.Khalifah

Board Members:

Beiersdorf – Cameron Walker
LV – Malek Hannouf and Manel Ben Said
Nestlé- Linda Mouaz
Al Tamimi & Co – Omar Obeidat
Rouse & Co. International – Bassel El Turk

Members:

Ahmed Seddiqi & sons – Amira Fayad
BAT – Maher Maktabi
Cedar White Bradley – Auday Al Obaidi
Clyde & Co – Rob Deans
Hogan Lovells – Peter Hansen
HP – Wael Adhami
Imperial Tobacco International - Nasser Bakkar
JTI – Ali Atani
Mann+Hummel – Azhar Jaleel
MSD - Khaldoun Odeh
Nike – Mohamed Kamal
Pfizer - Steve Jones
PMI – Ruwaida Ajram and Ismail Al Ghussein
SABA & CO. – Hady Khawand and Rami Abdullah
SMAS IP – Amala Atieh and Nazeer Alkharouf
Ten Intelligence Commercial Information Services - Cate Wells
Xerox Emirates - Saba Vasim

MINUTES OF THE MEETING:

Meeting started at 09:10 am with greetings from the BPG Chairman, Elie Atallah (EA)

EA welcomed and introduced the new members of the BPG through 2014 /2015.

- Pfizer –represented by Mr. Steve Jones.
- Xerox Emirates – represented by Mrs. Saba Vasim.
- Hogan Lovells – represented by Mr. Peter Hansen
- Ten Intelligence Commercial Information Services – represented by Mrs. Cate Wells

EA welcomed new representatives from Nestlé Mrs. Linda Mouaz.

EA gave a brief on

BPG Objectives:

- Raise awareness of the illicit trade issues such as :
Re-exportation – Seizures – Notifications
Raising awareness in the meaning of what we are doing to fight it.
- Educate officials on the danger of illicit trade & how to differentiate between genuine & counterfeit products.
- Advocate & push for deterrent sentencing: current penalties are not proving to be a sufficient deterrent and don't hurt the offenders.
- Raise awareness on BPG's activities internally & externally.

EA highlighted

BPG Achievements in 2015:

- Seminar for Institute of Training & Judicial Studies.
- More than 14 trainings sessions conducted through the year.

EA highlighted some of the Events where BPG attended and participated through speakers in the past year:

- BPG participated and attended both the 4th and the 5th regional Intellectual Property (IP) Crime for the Middle East and North Africa organized by EIPA in cooperation with Interpol.
- BPG participated and attended IP Day in UAE, and awarded from several Governmental Departments. More than 17 Events attended / participated by BPG representatives.

Meetings with the Authorities

EA gave a brief about BPG board members meetings with Authorities and stated that BPG arranged over 20 Meetings with Authorities during the past year, then gave the floor to Bassel El Turk (BT) to highlight the outcome of his meetings.

1. Dubai Customs:

- Destruction issues were discussed, where the phrase “Dubai is not a dump for counterfeits” and “Environment issues”, was repeatedly quoted by local officials in these discussions, hence, BPG raised the recycling options available in the UAE (Bee’ah.)
- Seizures and notification, where Dubai Customs either stopped seizing counterfeits: Malek Hannouf (MH) indicated that Customs were making some seizures but were not notify the brand owners due to the re-exportation policy.

2. Dubai Customs Consultative Council (DCCC):

Dubai Customs was pushing very hard to use a new quick clearance process called the “Qualification System“ This will allow certain approved shippers faster import clearance, BPG highlighted a potential problem with this process in so far as the shipper (i.e. ‘qualified person’) doesn’t always actually know the provenance of the product they are transporting.

3. Dubai Economic Council :

EA gave a brief about the meeting with Dubai Economic Council (DEC), and the new cooperation plan following the MoU signing back in 2013, which included:

– DEC Dubai Plan 2021:

Collaboration between the DEC and BPG were we can work at improving legal frameworks and government services to provide businesses with the efficient environment that they need in order to grow, innovative and creative society can only be reached through strong IP regulation and enforcement.

– Expo 2020:

Expo Free from Infringement.

– Academic Institutions:

To teach the youth about general IP rights through an academic campaign.

– IP Forum:

To partnership in any future IP Forum.

4. Dubai Economics Department:

EA gave a brief about several meetings with DED, including the BPG awarding H.E. Mohamed Lootah and DED for their work then he gave the floor to Omar Obeidat (OO) to brief on BPG on our relationship with DED since 2013.

OO explained how BPG relationship evolved since 2013 where BPG awarded DED during the 1st IP forum because of their efforts in sizing counterfeit products.

- Problems like destruction information's and entering restricted areas where resolved through DED. BPG is a steering Board member in DED Advisory Board chaired by H.E. Mohamed Lootah, where BPG will participate in formulating rules related to IP.

This new role does not conflict with BPG status as an NGO.

5. JETRO / JAIPA

EA: we meet with them several times, Ali Itani from JTI having put us in contact with them.

MH attended an event with IPG (Intellectual property Group for Japanese companies), this event was attended as well by DED's, Customs and police where they shared information's about seizures during last year.

6. Emirate Intellectual Property Association

- BPG signed MoU with EIPA recently.

Cameron Walker (CW) gave a brief about EIPA's Research Study initiative and how important it is for us to support this study to change the local approach against counterfeit products. Since Dubai is striving to be No.1 in everything, this will be an opportunity to help guide them on how to achieve this?

Media Coverage

EA gave a brief about the BPG media coverage done through 2014/2015 PR Company was appointed earlier last year (2015)

Several press release in over 17 publications in English and Arabic.

Other Challenges

EA gave a brief about **Other Challenges** faced by specific industries such as Tobacco industry.

- **Plain Packaging**
 - a) Letter sent to the Minister of Economy
 - b) BPG endorsement to the global letter to WTO by the US Chamber.
- BPG letter to the Minister of Trade in Ukraine to maintain his objection to WTO against plain packaging.
- **Members Concerns:**
 - Nasser Bakkar (NB): As Bahrain breached WTO rules, is BPG going to respond.
 - EA all challenges can be discussed and addressed but we need to look at it from IP perspective, and actions taken should be approved by all members.

Internal Communications

1. EA gave a brief about series of meetings done by the BPG Board where they met with BPG brand owners, and the outcome / feedback from those meetings which was shared with all members through news flash and letters.
2. Newsflash; Three (3) issues were circulated during the past year.
3. Launching a new website, which will be active by the beginning of March 2016.

Requested from Members:

MH we need your feedback to assist the new board to create new tools for communications to move forward.

Suggestions Received from Members:

- Hady Khawand (HKH) suggested to Create 2 WhatsApp group one for all members, and a second one for Board members.

Challenges for 2016 / 2017

- Re export of counterfeit products
- Lack of Notification by customs
- Transparency
- Deterrent sentencing
- Maleficence activities (e.g. FZs, others)
- Multiple entities working on IP
- High protection fees with low impact

Comments and Suggestions on storage of counterfeit products:

- Wael Adhami (WA): Brand Owners were asked to pay for the Storage cost of the counterfeit products.
- EA replied that we need to work on this and maybe we can suggest to the authorities as part of the deterrent actions, counterfeiters should pay this cost.

The new GCC Unified Trade Mark Law

- New customs regulations referring customs cases to court
- Increased penalties
- Unifies the regulations in GCC

Internal Challenges

- We need to increase Members' participation in events and trainings, regardless the outcome as participation in those events will build the relationship with authorities.
- Social networking
- Board Structure
- Extra cost (License - office)
- Common fee 2017 onwards (4,500\$ brand owners– SP & associations \$ 2,000) ,

Action Points:

- Arrange for more social gatherings during 2016/2017.
- Send a vote request on the membership structural fees.

Proposed Strategy 2016 / 2017

Government Relations

- Build & leverage relations to increase cooperation specifically on:
 1. Re exportation of counterfeit goods
 2. Deterrent sentencing
 3. GCC Unified Trade Mark Law (“the Law”)

Comments:

- Our position now is much better than previous years, due to the cooperation with different governmental entities such as DED and DEC.
- Deterrent penalties: These have increased but penalties administered are still not in line with the criminal benefit. Minimum sentencing still remains the norm.

- Implement regulations of this law (GCC Unified TM law) will give BPG an opportunity to lobby for regulations that help brand owners e.g. Better definition of Trademarks.
- Law implemented in Kuwait, but too early to judge and assess the impact.

Action Point:

- Brand owners senior management to meet with Ministers and to discuss the issues related to the Brands challenges, namely re- exporting and deterrent sentences, first meeting of this type should take place mid May 2016 where HP senior management is meeting with the Minister of Economy.
- BPG to closely monitor when the law comes into force in each GCC countries.
- BPG needs to be active in steering practice in appropriate manner
- BPG to start lobbying that the increases maximum penalties are intended to increase its deterrent effect and therefore should be applied by authorities.
- BPG to revive its GCC role to ensure consistency of the application of the unified law

Training

MH we are well established in trainings, and we need to have your feedback on where to focus our efforts.

Comments and Suggestions:

- GCC Countries: Kuwait, KSA.
- Organize a round table / workshop for the judges.
- Training for Criminal Investigation Laboratory.
- Connect with public prosecutors.
- Create a method to assess the outcome of BPG trainings.
- It is important to manage the expectations and work on the relationship with authorities - as quantitative results can't be measured, qualitative results should be tied with the agreements of the trainings.

Trainings done by many brand owners are generic, we also need to train Customs on import shipment profiling (i.e. highlighting the official supply chains process)

New Recruitments

- Establish a mechanism to attract more members to join the BPG
- Identify & approach companies that fits the profile to join BPG

Comments:

- CW: It is important to share our problems and to encourage your colleagues to join and participate to help show the importance of IP.

- Peter Hansen (PH) asked about JETRO, and EA explained that he met them several times and they are interested and keen to participate in our 2nd IP forum.

Action point:

- Meet with JETRO to plan for the cooperation expected this year.

IP Forum & Workshops

- Roll out IP forum “Towards Fair and Safe Trade”
- Roll out smaller IP forums in different GCC countries where needed

Comments and suggestions

- 1st BPG IP Forum was the biggest IP event back in 2013.
- BPG members are welcomed to join the task force.
- 2nd IP forum planned in Q4 of 2016.
- It is not an annual forum due to the high cost.
- UAE is the destination of preference for this forum, due to ease of logistics.

Members Relations

- Ensure that members are updated on all activities and feedback is collected
- Regular meetings
- Social events

Comments and suggestions

- It is very important that all Members send their feedback Attending Social events arranged by BPG will help improve dialogue and co-operation between members.
- Enhancing relationship between our members and their Board.

Media & Awareness Campaigns

- Roll out Media campaigns to raise the issues we’re facing & communicate BPG’s actions
- Roll out awareness campaigns in coordination with EIPA, DEC, DED... in various avenues e.g. universities, schools...

Comments and suggestions

- To activate BPG presence in Social media tools such as tweeter, website...Etc.
- DEC shared few ideas to raise awareness.

EA gave the floor for members to share if they have any comments on the strategy or if there is any suggestions.

Mohamed Kamal (MK) suggested a survey on the proposed strategy to be forwarded to all members.

Financial

MH gave a short presentation on the financial status of the BPG. MH highlighted some new additional costs (DED Registration for the BPG) and presented members with a breakdown of the spend on events and meetings during 2015

Election

BT managed the Election procedure, where the quorum of the members was not fulfilled and he called for a time extend for 30 minutes. After this the Election process was resumed.

BT collected the election papers from voting members and the results were as follows:

British American Tobacco – 8 votes

Beiersdorf – 9 votes

Louis Vuitton – 8 votes

Nestlé – 9 votes

HP – 8 votes

Unilever – 3 votes

The new Board members are: British American Tobacco – Beiersdorf – Louis Vuitton – Nestle and HP.

The Advisory Service Providers are: Al Tamimi & Co and Saba & Co.

New Chairman will be announced after the first Board Meeting.

Minutes prepared by:

Yara Khalifah

BPG Coordinator