



**Bureau of Experts at the Council of Ministers**  
**Official Translation Department**

**Law of Tradenames**

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## NOTES:

1. This translation is provided for guidance. The governing text is the Arabic text.
2. The translation of Saudi laws takes the following into consideration:
  - Words used in the singular form include the plural and vice versa.
  - Words used in the masculine form include the feminine.
  - Words used in the present tense include the present as well as the future.
  - The word “person” or “persons” and their related pronouns (he, his, him, they, their, them, and who) refer to a natural and legal person.



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## Law of Tradenames

### Chapter 1: General Provisions

#### Article 1: Definitions

In this Law, the following words and phrases shall have the meanings assigned thereto:

**Law:** Law of Tradenames.

**Regulations:** Implementing Regulations of the Law.

**Ministry:** Ministry of Commerce.

**Minister:** Minister of Commerce.

**Tradename:** The name used by a merchant in conducting his business activities to distinguish him from other merchants.

**Merchant:** A natural or legal person that is deemed a merchant under the Commercial Law.

**Commercial Register:** A registry that contains the data of merchants in a central electronic database.

**Registrar:** The government entity designated by the Minister to administer the Commercial Register.

#### Article 2: Objectives

This Law aims to promote trust in the business environment by regulating the procedures for reserving tradenames and registering them in the Commercial Register, optimizing their value, and ensuring the protection of such names and the rights associated therewith.

### Chapter 2: Reservation and Registration of Tradename

#### Article 3: Adoption and Registration of Tradename

1. Each merchant shall adopt a tradename and register it in the Commercial Register.
2. A tradename may be reserved with the registrar for a temporary period without registering it in the Commercial Register. The Regulations shall specify the period and controls of such reservation.

#### Article 4: Creation of Tradename

1. A tradename may be derived from the merchant's personal name, be a distinctive name, or be a combination of both. It may consist of Arabic or Arabized words, Arabic letters or numbers, or a combination thereof.
2. A tradename may consist of words, letters, or numbers, or a combination thereof, in a language other than Arabic.
3. The Regulations shall specify the provisions relating to this Article, including the use of a language other than Arabic in creating a tradename, the manner of displaying the tradename in the Commercial Register, and the provisions for reserving and registering as tradenames the word "Saudi"; the names of cities, regions, and public places; and family names.



### **Article 5: Application for Reservation or Registration of Tradename**

1. An application for reservation or registration of a tradename, including the data specified by the Regulations, shall be submitted to the registrar.
2. The registrar shall decide on a completed application within 10 days from the date of submission thereof. Said period may be extended in cases to be specified by the Regulations.
3. The registrar shall publish the tradename the reservation or registration of which is accepted, in the manner specified by the Regulations. The applicant shall bear the costs of such publication, if any.
4. If more than one application for reserving or registering the same tradename is filed, priority shall be given to the application filed earlier.
5. If an application is rejected, the rejection decision shall be reasoned, and the applicant shall be notified of such decision in accordance with the Regulations. The applicant shall have the right to appeal the rejection decision before the Ministry within 60 days from the date of notification thereof.

### **Article 6: Protection of Tradename**

1. No person may use the tradename a merchant has reserved or registered in accordance with the provisions of this Law, subject to the provisions of other relevant laws.
2. A merchant whose tradename is registered in the Commercial Register shall have the right to claim compensation before the competent court for the damage caused by any person who uses his tradename.

### **Article 7: Prohibited Tradenames**

1. It shall be prohibited to reserve or register a tradename that is contrary to public policy or public decency, is deemed misleading, or is prohibited to be used under relevant legal provisions. This shall include cases where the tradename:
  - a) is similar to a tradename reserved or registered in the Commercial Register, regardless of the type of business. The Regulations shall specify the criteria for determining similarity of tradenames and for determining distinguishing features;
  - b) is similar to a world-famous tradename or trademark, or a trademark registered or famous in the Kingdom, unless the trademark is owned by the applicant;
  - c) implies a political, military, or religious meaning, connotation, or statement; or
  - d) is similar to an honorary name or badge, or to a symbol specific to any local, regional, or international organization or any of its affiliates.
2. The Ministry shall prepare a list of prominent names the reservation or registration of which as tradenames is prohibited in accordance with paragraph (1) of this Article; such list shall be updated regularly.

### **Article 8: Display of Tradename**

A merchant must display his tradename on the exterior of his place of business according to the nature of the exterior, and shall include such name in all his documents, correspondence, and publications.



### **Article 9: Amendment of Tradename**

A merchant who is registered in the Commercial Register may amend his tradename upon fulfillment of the conditions and procedures stipulated in this Law and the Regulations. Said amendment shall be effective from the date of entry thereof in the Commercial Register, without prejudice to the rights and obligations arising prior to such amendment.

### **Article 10: Disposition of Tradename**

1. A merchant may dispose of his registered tradename independently of the business premises. The Regulations shall specify the relevant provisions.
2. Any disposition of a tradename shall only be effective upon registration and publication thereof in the Commercial Register.

### **Article 11: Effect of Transfer of Ownership of Tradename along with the Business Premises**

The rights and obligations previously established under a tradename shall be transferred to the person to whom such name is transferred together with the business premises, unless agreed otherwise. The predecessor and successor shall, however, remain jointly and severally liable to the creditors, and any agreement to the contrary shall not be valid against the creditors without their approval. No claim regarding the successor's liability for the predecessor's obligations shall be heard after the lapse of five years from the date of transfer of ownership.

## **Chapter 3: Cases of Cancellation and Strike-off**

### **Article 12: Cancellation of Tradename Reservation**

The registrar shall, on its own initiative or upon the request of an interested party, cancel the reservation of a tradename in either of the following cases:

1. If the tradename violates public policy or public decency, is deemed misleading, or its use is prohibited under relevant legal provisions.
2. If the reservation period expires without extension.

The registrar shall notify the person whose tradename reservation is canceled in accordance with the Regulations.

### **Article 13: Striking off the Registration of Tradename**

1. The registrar shall, on its own initiative or upon the request of an interested party, strike off the registration of tradename in any of the following cases:
  - a) If the tradename violates public policy or public decency, is deemed misleading, or its use is prohibited under relevant legal provisions.
  - b) If a final judgment or decision to strike off the tradename is rendered.
  - c) If the registration in the Commercial Register is stricken off.

The registrar shall notify the person whose tradename registration is stricken off in accordance with the Regulations.



2. A person whose tradename registration is stricken off in accordance with paragraph (1)(a and b) of this Article shall register a tradename in lieu of the stricken off tradename, as specified in the Regulations.
3. The registrar shall reserve the tradename of any merchant whose registration in the Commercial Register is stricken off in accordance with paragraph (1)(c) of this Article, as specified in the Regulations.

## **Chapter 4: Violations**

### **Article 14: List of Violations**

1. Without prejudice to any penalty provided for under any other law, a fine not exceeding fifty thousand riyals shall be imposed on any person who:
  - a) uses his reserved or registered tradename in violation of the provisions of this Law; or
  - b) fails to comply with the provisions of Article 3(1), Article 6(1), Article 8, or Article 13(2) of this Law.
2. The fine may be doubled if the violation is repeated. A violation shall be deemed repeated if it is committed within three years from the issuance date of the final decision on the previous violation.
3. The amount of the fine shall be determined according to the gravity, circumstances, and impact of the violation and the size of the entity. The Regulations shall provide a schedule for classifying violations.

### **Article 15: Detecting and Recording Violations**

1. Employees to be appointed pursuant to a decision by the Minister shall detect and record any violation of the provisions of this Law; said employees shall have the capacity of preliminary investigation officers.
2. The Minister shall issue rules governing the functions and duties of the employees referred to in paragraph (1) of this Article.
3. The Minister shall issue rules governing the remuneration of employees engaged in the detection and recording of the violations stipulated in this Law, in agreement with the Ministry of Finance and the Ministry of Human Resources and Social Development.

### **Article 16: Violation Review Committee**

A committee, or more, shall be formed by a decision of the Minister. The committee shall be composed of at least three members and shall be chaired by a member qualified in law. Said committee shall have the power to review the violations and impose the penalties provided for in Article 14 of this Law. The Minister shall specify the violations for which penalties may be directly imposed without being reviewed by the committee. The committee work rules and procedures and the remuneration of its chairman, members, and secretariat shall be determined by a decision of the Minister.



### **Article 17: Alternative Measures**

If it is established that a merchant has committed any of the violations provided for in Article 14 of this Law, the committee may, in addition to or in lieu of the prescribed penalty, take any of the following measures:

1. Issue a warning to the merchant.
2. Compel the merchant to take the measures necessary to avoid the occurrence of future violations.
3. Compel the merchant to take the measures necessary to remedy the impact of the violation.

### **Article 18: Appeals**

Any person against whom a decision is issued pursuant to the provisions of this Law may appeal such decision before the competent court within 30 days from the date of being notified thereof, in accordance with the Regulations.

## **Chapter 5: Concluding Provisions**

### **Article 19: Assignment of Tasks**

The Minister may seek the assistance of public or private entities to perform the tasks assigned to the registrar and may assign certain tasks to such entities.

### **Article 20: Arabic Language Experts Platform**

The Ministry shall promote the use of the Arabic language to enhance the database of Arabic tradenames by providing a platform for Arabic language experts where their information and works are published, in accordance with the controls and procedures specified in the Regulations.

### **Article 21: Fees**

The Regulations shall specify the fees for the services rendered by the registrar in implementation of the provisions of this Law.

### **Article 22: Issuance of the Regulations**

The Minister shall issue the Regulations within 180 days from the date this Law is published in the Official Gazette. The Regulations shall become effective on the date this Law enters into force.

### **Article 23: Entry into Force**

This Law shall supersede the Tradename Law issued by Royal Decree No. M/15, dated 12/8/1420H, and shall enter into force 180 days as of the date of its publication in the Official Gazette.