

Message from the President



Dear LFA Friends,

From its inception, LFA has set itself the mission of promoting excellence in the franchising industry in Lebanon, within the broader vision of becoming the preeminent voice, acknowledged leader and official mouthpiece of the Lebanese franchising sector.

We work hard to raise public awareness around the importance of the role the franchise sector plays in promoting the exports of Lebanese goods, services, franchise concepts, and in putting forth Lebanese entrepreneurship and creativity on world markets.

LFA has also taken considerable steps in further educating, training, and providing professional assistance to its members. During the year, several seminars were organized. Our first international conference and exhibition, BIFEX, was also inaugurated, attracting more than 300 participants from Lebanon and the Arab world, who shared experiences and benefited from the expertise of international leading franchisors and experts. Preparations are underway for our second edition of BIFEX.

Part of LFA strategy is to knit close relations with governmental agencies and international franchise associations and organizational bodies. Our active membership in the World Franchise Council (WFC) made it possible for the WFC to accept our invitation to host its meeting in Beirut in April 2013.

In this first issue of LFA closer, LFA quarterly news bulletin, I would like to recall the solid set of LFA values:

LFA insists on infusing into the industry a high ethical standard;
LFA gives thoughtful consideration to its members and collaborators;
LFA strives to deliver high quality content programs that help promote excellence in franchising and export the Lebanese way of life;
LFA actively endorses entrepreneurship and the creation and growth of SMEs,
LFA respects the diversity of individual members, their ideas and perspectives.
LFA closer speaks to, of, and for you. So do not hesitate to share your comments and suggestions.

Charles Anbiki

LFA strategic partners



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LFA President Arbid and Stéphane Attali, Director of ESA, sign the Cooperation Agreement in the presence of H.E. Mr. Mohammad Safadi, former Minister of Economy and Trade and H.E. Mr. Adnan Kassar.

LFA & ESA jointly launch CFEP Certified Franchise Executive Program

In its efforts to promote excellence in the franchising industry, LFA has taken the initiative to launch the Certified Franchise Executive Program in partnership with the Ecole Supérieure des Affaires (ESA) and the French Franchise Federation (FFF).

The objective

CFEP aims at improving the professionalism of the franchising industry in Lebanon by offering the highest standards of quality in specialized training and education.

The outcome

CFEP provides future professionals of the franchising industry with a specialized training that allows them to acquire the necessary know-how before entering a franchising network. After a franchisee or franchisor launches a first point of sale, the program then offers continuous training and expert consultancy to expand and improve their activities.

This continuous training effectively becomes a management tool,

offering franchisees or franchisors the means to measure business performance, optimize the management of the many business partners, manage and develop the franchise network, and determine the adequate strategy to ensure the sustainability of the business.

As such, CFEP is an innovative program that adopts an action-oriented learning methodology based on concrete business situations to illustrate the decision-making and problem-solving process in the conception and management of franchise networks.

The program
CFEP is divided into three learning modules:

Unit A:

- Franchise History & Basics
- Strategy Development
- Franchise Law

Unit B:

- Managing a Franchise Network
- Franchising in the MENA Region

Unit C:

- Franchise Recruitment
- Conflict Resolution

LFA to host WFC meeting in 2013

The nomination of the Lebanese Franchise Association (LFA) to host the World Franchise Council (WFC) meeting in Beirut in April 2013 was unanimously approved by all the 43 WFC member associations during the last WFC meeting held in Berlin, Germany, on 13 - 15 April 2011.

The event is expected to host leading businessmen from the 43 WFC member countries, which comes as a clear indication of the importance which the international business community attaches to Lebanon.

LFA President Charles Arbid headed a delegation of LFA members to President of the Republic of Lebanon, General Michel Suleiman. The delegation informed the General Suleiman of LFA's success and received his congratulations on this accomplishment and his express support for this momentous national event.



LFA delegation to President of the Republic of Lebanon, General Michel Suleiman



LFA General Manager Farah Chaaban at the WFC Meeting in Berlin, Germany

Newsflash

The next World Franchise Council meeting will be held on 20 - 22 September 2011 in Manila hosted by the Philippine Franchise Association (PFA).

'Happy Hour' meetings are back!

Starting last March, LFA has resumed its 'Happy Hour' meetings, where members and friends meet in a casual environment once every two months from 5:30 to 7:30 pm. Their purpose is to foster social and business relations among LFA members and friends. In order to make best use of these gatherings, LFA invites to every meeting a leading official or expert, whose position and qualification will help shed some light on issues of interest for members.

• Meeting with Mr. Alain Bifani, Director General of the Ministry of Finance



Mr Alain Bifani addressing LFA members.

Seen in the photo: Vice-President Madiha Raslan, Mr. Bifani, President Arbid, Secretary General Rashwan Miknas, Board Member Charles Thoumy

Over 45 LFA members welcomed Mr. Alain Bifani, Director General of the Ministry of Finance, as guest speaker at the 'Happy Hour' meeting organized at the Hotel Sofitel Le Gabriel in Beirut on 8 March 2011. President Arbid welcomed Mr. Bifani and the participants and presented the importance of these informal gatherings in allowing the exchange among members and leading officials over crucial issues related to franchising activity in Lebanon. Mr. Bifani presented an objective and comprehensive

overview of the Ministry's activities, past and present, and highlighted many of the draft projects which the Ministry hopes to achieve. The speaker stressed the Ministry's efforts in modifying some of the regulations in force with the major objective of simplifying and improving the performance of administrative procedures, but described the many hindering obstacles. A lively discussion of more than an hour followed between Mr. Bifani and the participants, who offered LFA's assistance whenever it was possible.

• Franco-Lebanese Economic Relations

On 26 May 2011, a 'Happy Hour' meeting was held at Le Vendôme InterContinental Hotel in Beirut to discuss Franco-Lebanese Economic Relations and the ways and means by which these relations can be

further developed for the mutual benefit of both countries.

The meeting was attended by Mrs. Chantal Zimmer, Déléguee Générale of the French Franchise Association,

specially invited by LFA, and Mr. Nicolas Vassitch, Head of the Economic Section at the French Embassy in Beirut, accompanied by senior members of his staff.

Mr. Vassitch started by stressing the importance French businessmen give to Lebanon as the gateway to the region, describing the many opportunities Lebanon offers. He praised the high level of performance of Lebanese businessmen as well as their ability to cope successfully with the contingencies of international commercial relations. He then announced that his department is actively engaged in organizing a "Rencontre d'Acheteurs"

between French businessmen and their Lebanese counterparts.

For her part, Mrs. Zimmer assured LFA of the full commitment of the French Franchise Federation to provide assistance in any way possible, noting with pleasure the stunning success LFA has achieved during its short existence.

After thanking the two guests for their participation, President Arbid expressed his hope that the highly valued cooperation with LFA will continue to grow to the mutual benefit of the business communities in both countries.



President Arbid, Mrs Zimmer, Mr. Vassitch, Vice President Raslan



LFA, MoET, and WIPO discuss intellectual rights protection

The Ministry of Economy and Trade (MoET), the World Intellectual Property Organization (WIPO) and the Lebanese Franchise Association (LFA) organized a workshop on the «Role of Intellectual Property Rights (IPR) in Enhancing Competitiveness of Businesses and Industries.»

The workshop was held on 28 and 29 June on the premises of the Economic and Social Council of Lebanon (ECOSOC), Down-Town, Beirut. In the opening session, Mr. Roger Nesnas, President of ECOSOC, welcomed

the participants. HE Mr. Nicolas Nahas, Minister of Economy and Trade, stressed the importance MoET attaches to IPR. Mr. Charles Arbid, President of LFA, for his part, underlined the need to protect registered brands against misuse or fraud and called for a stringent IPR policy.

Mr. Amr Abdelaziz, regional representative of WIPO, gave a comprehensive but concise presentation of the services offered by WIPO.

A series of sessions followed the opening

session. In the first session, Dr. Guriqbal Singh Jaiya, Director of the SME division at WIPO, showed in his exposé the impact of IPR on the development of SMEs in knowledge-driven economy.

A panel featuring LFA members discussed the effective use of the IP system for Business growth in Lebanon. The panel was formed by Mr. Massaad Fares (CEO, La Maison du Café), Mr. Anthony Maalouf (CEO, Casper & Gambini's) and Mr. Nabil Ladki (Advisor to the Board of LFA), acting as moderator.



Dr. Guriqbal Singh Jaiya

Mr. Maalouf and Mr. Fares enriched the panel with their respective experiences with regards to their policy on protecting their brands. The discussion was followed by an animated discussion with the participants.



Opening session: LFA President Arbid, ECOSOC President Nesnas, HE Minister of MoET Nahas, regional representative of WIPO Abdelaziz



The voice of experience:
new mentorship program

Starting a new business or growing an existing one can be a daunting – if not frightening – experience. In an attempt to budding franchise businesses on their road to success, LFA has recently launched a mentoring program geared primarily to associate members wishing to assist them to meet the full requirements within the shortest possible period of time. Full members of long standing in the franchise industry volunteer to provide mentorship at no cost. Businesses that are new to the field of franchising are faced with sometimes overwhelming situations for which they have no ready answers. It is to help them surmount such critical moments in the evolution of their activities that an experienced mentor, proven by a successful track record, can offer support, advice, and counsel. Although LFA does not propose to substitute professional training with its free and informal mentoring program, it recognizes the benefit of the assistance of an experienced professional in the field. For members willing to partake in sharing their piece of wisdom and offering a helping friendly hand to newcomers to the field, LFA shall be pleased to receive all the requests for participation in the program.

WORLDWIDE PROTECTION OF TRADEMARK REGISTRATION

Author: Nabil Ladki, Advisor to the Board of LFA

Protecting your trademark worldwide has been possible for more than a century, thanks to the Madrid System.

Established as far back as 1891, the Madrid System for the international registration of marks, first known as the Madrid Agreement, was later expanded and refined into what is now known as the Madrid Protocol, signed in 1989 and administered by the international bureau of World Intellectual Property Organization (WIPO), based in Geneva, Switzerland.

The International Procedural Mechanism of the Madrid System gives a business or person the ability to protect a trademark in several countries by filling out a single application in the applicant's national trademark office.

An international trademark that is registered in accordance to these procedures is effectively equivalent to an application for a trademark registration in each of the countries designated by the applicant on the application form.

Unless the trademark office of a country designated by the applicant on the application form does not refuse to grant trademark protection within a specified period of time, then the trademark is de facto protected as if it had been registered at this country's office.

The Madrid System also greatly simplifies the subsequent management of the trademark, as it makes it possible to record changes or to renew the registration through a single procedural step.

A total of 89 countries have signed the Madrid Protocol, of which five Arab countries only, namely, Bahrain, Egypt, Morocco, Oman, and Syria.

The Lebanese Council of Ministers approved accession to the Madrid Protocol in 2006 and forwarded the approval to the Parliament for ratification. However, no action has been taken so far. LFA is actively following up on the matter with the Ministry of Economy and Trade.

LFA's efforts in regional protection of Trademark Registration

Realizing the importance of trademark protection, particularly in traditional Arab markets, LFA has taken the initiative of calling for the establishment of an Arab Regional Office for Trademark Registration following the same rules and procedures of the Madrid Protocol.

In its meeting held in Kuwait in January 2009, the Arab Economic Summit issued a declaration calling on all Arab states to give special attention to all matters related to the protection of intellectual property rights.

Using this declaration as a leverage tool, LFA has addressed a letter to the Ministry of Economy and Trade on 9 November 2010 asking it to take the initiative of presenting a draft proposal to the Arab Economic and Social Council to establish a Regional Trademark Registration Office for the Arab countries. It is worth noting that the GCC countries have already established such an office as far back as 2007. LFA will continue to drive toward achieving this goal with the new government.

For details regarding the Madrid Protocol and list of members, please consult: www.wipo.int/treaties/en

LEBANESE FRANCHISE ASSOCIATION
Great nations **make** great brands

LFA Member News

The members of the Lebanese Franchise Association have been busy over the past several months – strengthening their brands, opening new outlets, innovating new market models, and building networks. Several local brands are becoming solid regional players and some have even had a very successful start in the highly competitive western markets.

 La Maison du Café – Café Najjar is spreading out on the Lebanese territory with the inauguration of three new outlets: in Le Mall Saida, Jbeil, and Kousba. This expansion is accompanied by a new extended menu and a new Operating Manager to oversee the whole, Ms. Nayla Abou Jaoudé.

 McDonald's Lebanon has signed a Memorandum of Understanding with Issa Petroleum Trading (IPT) in a first initiative in Lebanon creating a partnership between the food and the oil sector. The MOU plans to dedicate a joint action plan between the two companies to open a series of McDonald's restaurants in IPT network stations. McDonald's CEO in Lebanon, Mr. Rashwan Miknas, hopes this step will encourage the economy and prompt other sectors to enter into such partnerships. Dr. Tony Issa, IPT Board of Directors Member, stated that this partnership falls within the new strategy of IPT network in Lebanon. The MOU also projects working closely with the competent local authorities to update laws governing the integration of cookery services within gas stations.


 In a creative combination of hot and cold, Häagen-Dazs has successfully launched the Fondue, a tray offering a selection of mini ice cream scoops, exotic fruits, and pastries served with melted dark chocolate. "Dip-able edibles" to be enjoyed at any of the brand's four outlets in Lebanon (ABC Ashrafieh and Dbayeh, Dunes-Verdun, BCD, and Beirut Souks)

 Mayrig has introduced Armenian cuisine to Saudi Arabia, with a new franchised restaurant in Jeddah.

 Nougatini International has just inaugurated a new branch in Kuwait. Nougatini Kuwait will be located in Symphony Mall in Salimya.

 After a new wave of expansions in Lebanon, SILKOR is now operating a total of six branches: three are located in Beirut (Abraj, Kaslik, and Verdun 730), two in the UAE (Dubai and Abu Dhabi) and one in Qatar.

 Salmontini Le Fumoir is Salmontini's newest creation: a hub based in Dubai that will service the house of salmon's entire operations. Salmontini Le Fumoir will salt, dry, smoke, and supply salmon to all of current and future projects of La Maison du Saumon as well as to retail consumers worldwide.

 Al Rifai Roastery is now successfully servicing the European market from its factory in Sweden. At home the brand was recently awarded as the "Best Industrial Brand in Lebanon" by Lebanon Opportunities and ELCIM. Mabrouk!

 Colortek, a dedicated deco center offering a wide selection of decorative paints, color visions, wallpapers, wall and floor innovations and decorations for children's rooms, has signed a new agreement with Equipaint LLC, owned by Mr. Jad el Eid and Mr. Pierre Mourad, for the opening in July of the new franchise on Salwa Road in Qatar, to be possibly followed by more branches at a later stage. Colortek® Qatar will be offering a wide range of Colortek's signature products and services.

 With its three new branches in Sodeco, Habor Hotel, and Saida Mall, Crepaway now runs a total of 20 outlets – 15 in Lebanon and five abroad. Plans are under way for the signing of three new franchise agreements in Qatar, Saudi Arabia, and Jordan.

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New Members 2011

Listed Alphabetically

Full Members

Franchisors

- French Bakery
- IPT Group
- Lola et moi
- Thierry's Friends

Franchisees

- Avis
- Burger King
- Coldwell Banker
- Costa
- Dessange
- Domino's Pizza
- Hardees
- Jack & Jones
- Joué Club
- KFC
- Name It Only
- Pepsi Cola Pieces
- Sinequanone
- TGI Friday's
- Vero Moda
- Wok Box

Associate Members

- Babel
- Beesline
- Carla's Good Food
- La Ferme Saint Jacques
- Pralino
- Wrapsody

College of Experts

- Abou Jaoude & Associates Law Firm
- Assaf & Kababe
- G.W.R Consulting
- Neove
- Platinum Pitch
- Ulysses Management & Consulting
- Zeder Group

FRANCHISING IN ARAB COUNTRIES OF THE MIDDLE EAST

Author: Nabil Ladki, Advisor to the Board of LFA

Home to roughly 65% of the world's proven oil reserves; the Middle East is a rapidly growing and developing market of the world economy. The region generally fosters an environment conducive to promoting investments, with many countries adopt special legislation to attract foreign investment.

Franchising is an increasingly adopted approach by which local businesses establish additional consumer-oriented businesses. The franchise market is growing rapidly in several sectors, such as the fast food and restaurant business, hospitality, automotive services, auto spare parts, high fashion, mail, printing, and convenience stores.

Growth in the franchise business has so far centered mainly on importing foreign franchise brands into the region. Lebanon constitutes a notable exception, however, as many Lebanese franchise concepts are being exported not only to GCC countries and Egypt, but to the highly competitive US and European markets.

The Legal Framework

There is as yet no specialized body of legislation regulating franchising activities in any country of the region. Franchise agreements are governed by standard commercial laws. The legislation on Patents and Trademarks is the most specialized body of commercial laws that apply more specifically to franchising activities.

 **Bahrain**

A member of WTO, Bahrain has also ratified the TRIPS agreements, and has brought its national laws and regulations to comply with the principles of both these agreements. Bahrain is also a member of WIPO and a signatory of the Berne Convention for the Protection of Literary and Artistic Works and the Paris Convention for the Protection of Industrial Property. Registered patents are valid for 15 years, renewable for an additional period of five years. Trademark registration is valid for ten years.

 **Jordan**

Jordan is a member of the WTO and signatory to the Paris Convention for the Protection of Industrial Property. Patents are valid for 16 years. Trademark registration is subject to licensing by the Registrar of Trademarks. They are valid for seven years, renewable for a period of 15 years.

 **Kuwait**

Patents are valid for 15 years, except for industrial patents, which are valid for five years only. Registered Trademarks are valid for ten years, renewable for another ten years. However, a registered trademark may be cancelled if it is NOT put in use within a period of five years from the date of registration.

 **Oman**

Oman joined WTO and became a signatory to WIPO in 1996. Patents and trademarks are protected for ten years, renewable for a similar period.

 **Lebanon**

The Government of Lebanon has taken serious steps towards updating its laws to meet the requirements of an accession to WTO. Patents and trademarks are protected for a period of 15 years.

 **Qatar**

Qatar is a member of WTO, but has not signed either the WIPO Agreements or the Paris Convention. Hence, owners of trademarks and holders of patents obey solely the country's national legislation. There is currently no patent or design law in effect. However, warning and cautionary notice may be published in the media upon infractions of property rights. Trademarks are protected for ten years, renewable for a similar period of time.

 **Saudi Arabia**

Saudi Arabia has enacted a national patent law in 1989. Patents are protected for 15 years, renewable for another five years. Trademarks are protected under the Trademark Law.

 **Syria**

Syria acceded to WIPO membership in August 2004. Patents are protected for 10 years, with possible extensions for a similar period. Trademarks are protected for ten years, with possible extensions for consecutive periods of ten years.

 **United Arab Emirates**

The UAE is a standing member of WTO. Patents are protected for a period of 15 years, renewable for a period no longer than five years. Trademarks are valid for ten years, renewable for another period of ten years.

At the National Level

Lebanon was a pioneer in the region in creating a specialized, national Franchise Association. Several other regional countries are in the process of forming national franchise associations, namely Jordan, Saudi Arabia, and Syria.

At the Regional Level

The Investment and Technology Promotion Office in Bahrain, operating under the UNIDO, has been promoting franchising as a model for the development of SMEs and the attraction of local and foreign investment.

A major step towards reaching this objective has been the establishment of the Franchise Association for the Middle East (FAME), co-founded by the OECD-MENA Investment Center and the Lebanese Franchise Association (LFA).

On the association's agenda is a first general meeting to be held in the organization's headquarter city, Manama, in September.

The Lebanese Franchise Association was established by the Official Notification Number 126/a.d. dated April 13, 2006 issued by the Minister of Interior and Municipalities.

Mission Statement

LFA is a non-profit organization that develops and promotes excellence in the franchising sector in Lebanon.

LFA coordinates the activity of its members in a concerted effort to promote and exemplify excellence in franchising.

Objectives

- To reinforce LFA leading economic role as the exclusive community of franchisors and franchisees in Lebanon
- To promote Lebanon abroad through Franchising
- To anchor LFA standing as the largest franchising network in the Middle East
- To actively promote entrepreneurship and support SMEs' growth in Lebanon
- To ensure the proper transfer of know-how in all matter pertaining to franchising
- To advocate for the protection of Intellectual Property in the franchising sector
- To become a role model in Business Ethics in the franchising sector in the region
- To become an exclusive general resource center for franchisors and franchisees in Lebanon
- To act as a national, regional and international platform for LFA members

Membership

There are three types of memberships:

1. Full members:
 - a. Lebanese Franchisors with a fully comprehensive and defined concept; Must accept the Regulations set by the Statute and By-laws of LFA; Must adhere to the Code of Ethics adopted by LFA.
 - b. Lebanese Franchisees who are signatories to franchise agreements with foreign concepts.
2. Associate members: LFA can admit companies who, whilst they do not meet conditions of full membership, commit and work towards meeting full membership requirements within a maximum period of 2 years after admission.
3. Experts: LFA welcomes the participation of Lebanese experts who have experience in the franchising industry, mainly in the fields of franchise program development and legal services.

Applicants to any category of membership are expected to fill the relevant application form and sign the Code of Ethics and return it to the Admission Committee which in turn will pass it to the Board of Directors for final decision.

Membership benefits:

- Training programs, seminars and expos organized by LFA or LFA partners
- Networking facility through B to B meetings, conferences and specialized organized visits
- Access to LFA Member Directory and listing of profile in the yearly LFA Booklet
- Listing of profile on LFA website and visibility of brand through website links
- Access to potential franchisors or franchisees contacting the LFA
- Access to exclusive LFA database and research resources
- Timely notification of upcoming local and worldwide franchising conferences and events
- Reduced participation fee in LFA conferences, workshops and intellectual property registration

Activities in 2011:

- Launching the first program on Franchising in the MENA Region:
 - Certified Franchise Executives Program – Ecole Supérieure des Affaires, in partnership with the French Franchise Federation
 - Participating in local and international exhibitions
 - Organizing seminars and workshops with partners
 - Organizing the periodical gathering Happy Hour
 - Reinforcing of the LFA resource center
 - Establishing local working relations with institutional stakeholders
 - Reinforcing the regional and international networks through the Mediterranean Franchise Federation (MFF), the Franchise Association for the Middle East (FAME), the French Franchise Federation (FFF) and the World Franchise Council (WFC).