

Interview with Mr. Talal Abu-Ghazaleh in the Arab Alamwal Magazine (www.amwal-mag.com)

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Talal Abu-Ghazaleh: I fight for Arab recognition.

There is no out there do doesn't know Talal Abu-Ghazaleh -68 years old- but not everyone who knows him knows that he's a Palestinian Jordanian who settled in Kuwait since 1960. He started his business there with a half million dollar loan. The number of branches of his companies –which he himself wasn't too sure about – are distributed throughout 49 countries. They specialize in numerous activities and what ties them together- according to him- are weak points throughout the Arab world that they address and serve the Arab economy.

The man has been an Arab nationalist since his youth, proud of his Palestinian background and Jordanian citizenship, and doesn't tire of mentioning the blessings bestowed upon him by Kuwait, both by the people and the Emir.

He loves challenges, is optimistic when there are problems, and thanks God for every new day of life, and yet is planning centuries ahead for his businesses!

Mr. Sayid Jibeil from Amwal had this interview with him:

In the early seventies, the idea of establishing a company specialized in intellectual property (IP) wasn't that common, so how did you get the idea?

I attended a conference in the late sixties and heard for the first time an American speaker talk about IP, which got me curious and led me to research this topic and dig into its details a little more. After that, I attended another conference in 1970 on IP rights (IPRs) in San Diego, where I learned that IPRs are a top priority of advanced nations. As a matter of fact, I can now claim, after extensive experience in this field, that it precedes political issues on the agendas of the major countries' leaders during their state visits abroad.

What drew my attention early on to its significance was a saying by Franklin Roosevelt that stated "Intellectual property is the fuel that feeds the fire of creativity". So in 1972 in

Kuwait, I entered this field by founding Abu-Ghazaleh Intellectual Property (AGIP), with a half million dollar loan from the bank. The company returns in the first year didn't surpass 5 thousand dollars, and this was more or less the case up until the fifth year, when we had a balance between revenues and expenditures.

IP Rights (IPRs)

Do you remember lawsuits for certain companies, that your company worked on and helped keep those companies afloat?

Up till now we've had 20 thousand lawsuits, and we won 19 thousand of them. But it is inappropriate to mention particular company names. However, I will relay a story that I haven't told anyone before: In 1972, I was surprised to be called to the office of His Highness Sheikh Ahmad AlSabah, who was the Emir of Kuwait and also Minister of Finance at the time. When I got there, the office manager told me that the Emir was quite angry with me. So I entered his office and was nervous and confused, since I had no idea why I was called in. The Emir however was very humble and kind and asked me: "How long have you been in Kuwait for?" So I said 12 years, to which he replied "So you don't know our traditions and customs; we do not like courts and lawsuits and prefer to resolve disputes peacefully. So why would you try to sue without coming to me first to try and resolve your matter peacefully?"

I was even more surprised than before, and I told His Highness that I'd never sue him in a court of law. So he pulled out a lawsuit file from his desk issued from one of the Kuwaiti courts that asks the Emir, in his capacity as Minister of Finance to attend a lawsuit raised by AGIP –which was a representative of the 7-UP company. I realized what had happened and explained to the Emir that 7-UP wanted to register its trademark to preserve its rights in the Kuwaiti market, but the mark registrar, who is an employee of the Ministry of Finance, refused to do so based on the fact that "7" and "Up" are two general words and nobody has the right to own them, and he was right on that. But we explained to the registrar that what we wanted to do was register these two words in these particular colors on this particular product and in a certain context, yet he still refused. So we went to court, and according to Kuwaiti law, the subpoena is directed to the Minister of Finance because he is responsible for his employees.

At that point, The Emir asked me to explain more about such cases to him, which I did. After a lengthy conversation with him, I reiterated my apology and told him jokingly that as soon as I left there, I was going to withdraw the case and no longer deal with the 7-UP company and not even drink 7-UP anymore, and write in my will that my children shall not drink it either! His Highness laughed and said "No problem son, go onto the appropriate governmental department and you'll find your problem has been resolved without any need to pursue it in court."

This incident which took place at the start of my professional career was an important point in my life, because it made me like this field even more and pushed me forward. I still have a sense of enormous gratitude towards the Emir, and also to all of the people of Kuwait, as they played a major role in me getting where I am today.

Throughout your vast work in the specialization of IP, which Arab nations respect IPRs the most, and which don't?

Most Arab states, if not all of them, do have satisfactory laws relating to protection of IPRs. The problem is in the application itself, which requires three factors for it to improve:

First, a qualified judicial system: It doesn't make sense to present your case before a judge who doesn't understand the different aspects of IP, or the difference between an innovation and a trademark.. We are now preparing a book on previous rulings issued by Arab courts on such lawsuits, so that it will serve as a guide for judges and assist them.

Second, an advanced legislative system: Most legislation places a maximum limit or punishment for violations that usually is not a deterrent which in my estimation is wrong. The punishment should fit the crime. So if one company causes damages to another worth a million dollars, and the fine as a result is only 10 thousand dollars, then this penalty is obviously not an appropriate deterrent.

Third, qualification and training: In all of our Arab universities, except in rare cases, there is no teaching or programs on the topic of IP.

But overall, what Arab nations have fulfilled recently during their 30+ years of independence or so, is a major accomplishment, and surpass what the major countries achieved during their first 30 years of their history.

By the way, I have an American report that confirms that Israel is the country that has violated IPRs the most and it has finally been listed on the American blacklist for countries who violate IPRs globally.

Talal Abu-Ghazaleh Organization has numerous separate companies, where one is to provide legal services, another is for accounting and auditing, a third is for technology transfer, and yet another is for IP, along with a translation center, professional training and so on. So what ties all these different activities together?

Firstly, they are all service activities, and Talal Abu-Ghazaleh Organization (TAGorg) is an organization of services and technical consulting, and we have nothing to do with investments.

Secondly, I've been an Arab nationalist since my youth, and I still believe in Arab nationalism although it has ended as a movement but not as a truth. This faith has had a great impact on my directives and tendencies, as I've studied the Arab market, and saw that the region desperately needs a company specialized in IP and trademarks, so I founded AGIP. In the same year, I felt the market needed a certified accounting firm, so I founded Talal Abu-Ghazaleh International (TAGI).

At the time, the profession was dominated by what was known as the Big 8, that have now become the Big 4, which are the largest accounting firms globally in the field of certified accounting and almost monopolize the profession worldwide. That is, except for the Arab region, where they say 4 +1 meaning Abu-Ghazaleh and the four major firms

which are Deloitte, Ernst and Young, KPMG and PricewaterhouseCoopers. We were able to compete –thank God- with these companies after only 5 years of entering the market.

What is the secret of the number 5 with you?

There is no secret. There is guidance from God, and luck. This is something I do not deny. I started my work out in Kuwait in 1972, and after that enormous prosperity took place in the Gulf region. There was a large oncoming of Western companies to the region with insistence on applying IP standards, and a dire need for companies specializing in certified accounting, and I just happened to come along at the right time.

By the way, when I started work as a certified accountant, there was a severe shortage of those working in this discipline, and there still is. For example, the population of the USA is approximately equal to that of the Arab world, yet there is approximately 1 million certified accountants in the US, whereas the number in the Arab world is less than 10 thousand. This goes back to the fact that the 4 Anglo-Saxon states (Canada, the USA, Britain and Australia) monopolize the professional qualifications of this sphere, and outside these countries there are no institutes that issue recognized certificates in this area. Therefore, whoever wanted to get into this profession had to travel to one of these countries to get qualified from there, which is a situation that I fought fiercely through international organizations such as the UN. There are still efforts on my behalf establish equivalent standards to the CPA certificate, and gaining international recognition for any party that adheres to these standards.

And have these efforts been fruitful?

Yes, tremendously. But the problem now is in the application phase. Getting recognition from international committees is one thing, and application is another. The battle is not over yet, but we could no longer wait, so we created the Arab Society of Certified Accountants (ASCA) in 1984. By the grace of God, we were able to get recognition from the University of Cambridge for the Society's certificates, which carry the Society's seal and the signature of the President of the University of Cambridge. We now have more than 3 thousand students from various Arab nations studying at the Society and obtaining internationally recognized certificates.

So far, we've talked about IP rights and accounting. What can you tell us about the legal services?

They are complementary to the aforementioned, and they cannot be excluded for a company that works in the realm of trademarks and certified accountancy.

If that is the case, then what do these activities have to do with technology?

That is a different story altogether. In the early eighties, I became aware of the importance of technology and in particular information technology and communications, with emphasis on the internet.

At the time, the internet still was an unknown to most people, and I recall I was a guest on a TV program where the host was trying desperately to understand the concept of it.

In any case, I was aware that it was going to play a major role at the economic, political and cultural levels, and even the educational one. So I established Talal Abu-Ghazaleh Information Technology International. My opinion was –and still is- that the internet is the greatest gift the Americans gave the world. But the internet however would never have appeared if it weren't for the numbers one and zero, which were created by us Arabs. Therefore, we have no problem in dealing with this advanced technology.

I try through my company to do general work, via international organizations, to defend our right as Arabs in dealing with the internet with Arabic letters. The UN Secretary General has assigned me to head up the committee whose task is to bridge the digital divide between the North and South. This committee emanated from a world summit conducted in New York in the year 2000, and we currently have completed all the technical aspects to Arabize the internet, and the only problem remaining is one with the internet's management body; ICANN. This is a battle that we will not lose, and my friends know that I am at my best when I face problems, because it provokes all my energies and capabilities.

But why all these battles? What's the problem with Arabizing or translating any website you want?

No, we have to be clear here. I am not talking about translation here. I am talking about the Arabic letters on the internet, which means that when you want to enter the website of your magazine, you do not write the word "Amwal" in Arabic, but rather the English spelling A-M-W-A-L. This is what I'm trying to change. I also don't want to have to receive my mail as attachments either.

This problem isn't confined to Arabs only, but many other nations as well, such as China, Korea, Japan and others. The funny thing is that these states represent the majority of internet users. In 1980, the USA represented 80% of the internet users. Now however, 60% of internet users are from the developing world, and in the year 2010, the Chinese will represent 50% of internet users, and Americans will decline to a percentage of only 30%.

This issue worries the Americans greatly, but this worry does not negate the right of these countries to use the internet in their own language. This right is what led to the creation of the Multilingual Internet Name Consortium (MINC), which is a large coalition that includes major non-English speaking countries, and whose permanent headquarters are our offices and led by an Arab man we support.