



Trademarks

in 42 jurisdictions worldwide

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2010



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Israel

Nahum Gabrieli

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1 Ownership of marks

Who may apply?

Any legal entity may apply, that is, any physical person or any kind of corporation, such as companies, partnerships, societies, etc.

2 Scope of trademark

What may and may not be protected and registered as a trademark?

Any mark that is capable of distinguishing the goods or services of the applicant from the goods and services of others may be protected. A mark is defined as letters, digits, words, images or other signs, or a combination of these, in two or three dimensions. These may include words, logos, pictures, devices and sounds.

3 Registration time frame and cost

How long does it typically take, and how much does it typically cost, to obtain a trademark registration?

Usually it takes between 15 and 20 months to obtain a registration if there are no substantial objections raised by the examiner. This period includes the three-month opposition period. The official fee for filing an application in one class is 1,446 shekels. It is possible to apply for accelerated examination if the applicant can convince the registrar of the urgency in obtaining a registration. An official fee of 678 shekels has to be paid and the application for acceleration should be supported by an affidavit. There are no additional official fees. Multi-class applications are not yet allowed, but are soon to be introduced into Israeli law when the Madrid Protocol comes into force (Israel has already joined the protocol and enacted the relevant provisions, which are not yet in force). Professional fees for filing an application are usually charged as a fixed price and the prosecution of the application is usually charged on an hourly basis.

4 Classification system

What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed?

The Nice Classification system is followed. Applicants can claim any goods or services, as long as they all belong to the same class. Otherwise more than one application will have to be filed. Class headings are allowed, but during examination, the applicant may be required to limit the list of goods to those goods within the ambit of its business.

5 Conflicts with other trademarks

Are applications examined for potential conflicts with other trademarks? What is the procedure followed by the Trademark Office?

Yes, the Israeli Trademark Office will examine an application on relative grounds and would cite conflicting Israeli registered trademarks against the application. The applicant may argue with any objection

raised by the examiner and is also entitled to request an oral hearing before the registrar. If the examiner finds a pending but not yet accepted application for an identical or confusingly similar mark, applying for the same goods or goods of the same description, he or she will apply the provisions of section 29 of the Trademark Ordinance, under which the registrar would conduct rival application proceedings and decide whose application should proceed to registration. The parties may try to reach an agreement regarding the co-existence of their marks on the register, but such an agreement is subject to the approval of the registrar. In deciding whose rights to the mark prevail, the main criteria is the actual use of the mark.

6 Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a challenge on grounds of non-use?

No. The registrar would not require any proof of use as a condition for registration; it is sufficient that the applicant has a bona fide intention to use the mark in order to obtain the registration. The registrar would not actively require proof of use for the maintenance of the registration. However, if use of the mark has not commenced within three years of the date of the issue of the certificate of registration, it will be vulnerable to a cancellation action on the grounds of non-use, which may be brought by any aggrieved third party.

7 Appealing a denied application

Is there an appeal process if the application is denied?

Yes. If the applicant cannot overcome an objection by the examiner, it may ask for an oral hearing before the registrar or a hearing officer. If the application is finally denied by the registrar, an appeal may be lodged within 30 days to the Supreme Court.

8 Third-party opposition

May a third party oppose registration, or seek cancellation of a trademark or service mark? What are the primary bases of such challenges, and what are the procedures?

Yes. Any person may oppose registration within three months of the date of publication of acceptance in the Trademark Journal. The notice of opposition and the statement of case setting out the grounds for the opposition have to be answered by the applicant within two months. Evidence in the form of affidavits may be filed by each party. The opponent is entitled to submit evidence in reply. Cross-examinations take place in an oral hearing before the registrar, and usually a decision would be given after the parties have submitted summations.

Rectification of a registration may be initiated by any aggrieved third party. A rectification action based on the ineligibility of the

registered mark, or on the grounds that the registration creates unfair competition in respect of petitioner's rights in Israel, must be filed within five years of the date of registration. A rectification action claiming that the application for registration was filed in bad faith may be filed at any time. There is no limitation on the period in which a cancellation action based on non-use may be filed. Any interested person may initiate such an action if no use of the mark was made for three consecutive years. The procedure in all kinds of rectification actions is similar to that described above regarding oppositions.

9 Duration and maintenance of registration

How long does a registration remain in effect and what is required to maintain a registration?

A registration lasts for a period of 10 years from the application date. In order to maintain a registration, the Proprietor has to apply for renewal in due time and pay the renewal fee. The further renewals are for periods of 14 years. When the Madrid Protocol amendments of the Trademark Ordinance come into force, the further renewals will be for periods of 10 years each.

10 The benefits of registration

What are the benefits of registration?

The main benefit of registration is that it enables the owner to fight infringements effectively and obtain remedies more easily and more quickly than in the case of common-law rights. Restraining orders may be obtained based on the registration without the need to prove facts such as the goodwill in the mark. Another benefit of registration is that the customs authorities are bound to stop imported products that seem to be infringing a registered trademark and subject to depositing a guarantee and filing a lawsuit against the infringer, this would prevent the infringing goods from entering the Israeli market.

11 Assignment

What can be assigned?

A trademark registration can be assigned with or without the goodwill. Presently, it is not possible to record a partial assignment of some of the goods and the trademark must be assigned as a whole. However, the Trademark Ordinance has already been amended to enable partial assignments and this will be available as soon as all the amendments of the Madrid Protocol, already enacted, come into force. There is no need for other business assets to be assigned to make the assignment valid.

12 Assignment documentation

What documents are required for assignment and what form must they take?

Any document proving to the satisfaction of the registrar the fact of the assignment may be used in order to record the assignment. Usually for this purpose, a simple deed of assignment may be used, signed by the assignor and assignee or any authorised person on behalf of them, for which no authentication or legalisation is required. Other documents, such as agreements, court judgments, etc, may bemissible. An application to record the assignment should be made and the official fee paid. After it is recorded, the assignment is published.

13 Validity of assignment

Must the assignment be recorded for purposes of its validity?

No, but if the assignment is not recorded in the Trademark Register, the assignment documents would not be admissible as evidence in any court for proving title in the mark, unless the court directs otherwise.

14 Security interests

Are security interests recognised and what form must they take?

The Trademark Ordinance does not provide for recording in the Trademark Register security interests against a registered trademark. However, it is possible to record a pledge against a registered trademark and this should be done in the Pledge Register. Such a pledge is recognised by Israeli law. An applicant may submit any document that proves the pledge to the satisfaction of the registrar.

15 Markings

What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Marking is not mandatory. There are no provisions regarding the use of words or symbols to indicate trademark use or registration, except for the prohibition of using the word 'registered' or any other word which falsely implies that a trademark is registered. Such prohibited use constitutes a criminal offence. It is customary to use 'TM' for unregistered trademarks or those which are the subject of pending applications, and '®' for a registered trademark.

16 Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

There are no specialised courts for trademark matters. The civil remedies available to enforce trademark rights include injunctive relief and damages. In its final judgment, the court also has the power to order the destruction of assets resulting from the infringement or which were used to perform the infringement. The most effective remedy to stop an infringement is an interim injunction sought by the plaintiff. An application for an interim injunction may be submitted together with the main lawsuit for the permanent injunctions. Such applications are decided on a prima facie basis within several weeks. An application for an interim injunction may be filed ex parte. The plaintiff may also apply ex parte for a search and seizure order, also known as *Anton Piller* orders. This instrument is used in cases of counterfeited and pirated products which the plaintiff desires to seize as evidence thus preventing the infringer from flooding the market with these products.

Civil infringement actions for injunctive relief are tried in the district court. Actions for damages lower than 2.5 million shekels are within the jurisdiction of the magistrates court, but if the lawsuit prays for an injunction and damages, it would be tried before the district court, even though the monetary remedies are lower than the minimum sum within the jurisdiction of the district court.

Criminal proceedings are possible and may be initiated by the owner of the registration by way of a 'private criminal complaint'. In order to succeed in such a procedure, the complainant has to prove beyond any reasonable doubt that the accused person infringed the trademark knowingly. If convicted, the accused person is liable to imprisonment or fines, or both.

17 Procedural format and timing

What is the format of the infringement proceeding?

The case is always decided by one judge. If the plaintiff seeks interim injunctions, an application should be filed together with the main lawsuit. Such an application should be supported by an affidavit to prove a prima facie case. The respondent may submit a response within 20 days of receiving the application, unless otherwise ordered

by the court, and the applicant may reply to this response. The court may render its decision based on the application and the response, without a hearing. Usually, the court would summon the parties for a short oral hearing and would allow short cross-examinations, if there are disputed facts that it deems relevant to deciding the case and would render its decision regarding the interim remedies shortly thereafter. The same procedure applies when the application for interim injunctions was filed *ex parte*.

The main lawsuit for permanent injunctions and damages is filed as a statement of claim detailing the relevant facts and specifying the requested remedies. The defendant files a statement of defence. Within the preliminary proceedings, discovery of documents is available to both parties, and examinations may take place. After completion of the preliminary proceedings, the court orders the submission of evidence, usually in the form of affidavits. Expert opinions are allowed. No evidence in reply is admissible, unless allowed by the court as rebuttable evidence. During the court hearing, each party is entitled to cross-examine the other party's witnesses. Finally, the parties summarise their contentions, usually in writing. The court then renders its decision. When the plaintiff seeks monetary remedies, the court would usually divide the proceedings into two stages: only if liability is found in the first stage is a second stage of deciding the damages tried.

A private criminal complaint (see question 19) is opened by filing an indictment and the court would hear testimonies and give its judgment all according to criminal procedure. The Merchandise Marks Ordinance also provides for criminal offences committed by infringers who use deceptive descriptions for goods and such infringing actions are also liable for penalties of a fine or imprisonment. This Ordinance also empowers the court to give a search and seizure order, which is carried out by the police.

Regarding the time frame for proceedings see question 22.

18 Burden of proof

What is the burden of proof to establish infringement or dilution?

In civil cases, the burden of proof is the regular civil burden, which is based on the balance of probabilities. In order to establish the infringement contention, the plaintiff has to prove the defendant has used its registered mark or a mark resembling its mark in relation to goods in respect of which the mark is registered, or goods of the same description, without being entitled to do so. A certified copy of the registration would be *prima facie* evidence of the validity of the registration. The plaintiff has to prove the use of the mark by the defendant. The term 'use' is broadly interpreted by Israeli courts. Although the definition of an infringement in the Trademark Ordinance requires only resemblance to the registered mark, the courts usually consider the question of the likelihood of confusion in deciding whether an infringement occurred.

It was decided that the question of the risk of confusion is a legal question and therefore the court may find such a risk, even without any actual evidence, although witnesses or any other evidence for actual confusion may help in convincing the court that injunctions should be granted for the benefit of both the registrant and the public.

If the action is based on common law rights (*passing-off*), the plaintiff's case is significantly harder to prove in terms of bringing evidence. The plaintiff must meet the burden of proof to establish its goodwill in the mark and has to convince the court that the use made by the defendant could cause the defendant's goods or services to be considered the plaintiff's, or at least that such goods or services may be connected to the plaintiff. The courts have not limited the means by which this should be proved (witnesses, experts, public opinion polls, etc).

The doctrine of dilution has been recognised by the Israeli Supreme Court. In an action based on dilution, the plaintiff must establish the goodwill it acquired in the mark and convince the court that the use made by the defendant may dilute and tarnish this goodwill in the mark.

In criminal proceedings, the prosecution has to prove the facts of the case beyond any reasonable doubt.

19 Standing

Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

Only the proprietor of a registered trademark is entitled to seek a remedy based on an infringement of its registration. The Israeli Supreme Court has ruled that a registered user (licensee) cannot sue for infringement of a registered mark for which it holds a recorded licence.

Criminal proceedings are generally prosecuted by the state. Only in cases where the procedure of a private criminal complaint is available to a registered trademark proprietor, may it file the complaint itself. The criminal offences under section 60 of the Trademarks Ordinance and section 3 of the Merchandise Marks Ordinance discussed above may be prosecuted by a private complainant who is the owner of the infringed trademark.

20 Foreign activities

Can activities that take place outside the country of registration support a charge of infringement or dilution?

The Israeli customs authorities are authorised to hold goods that *prima facie* constitute an infringement of a registered trademark, and notify the proprietor of the registration that these goods are held by customs and that within three days the proprietor must deposit a guarantee fixed by customs within three days of the notice. Within 10 days of the above notice, the proprietor must file a lawsuit against the importer. Failure to deposit said guarantee or file said lawsuit will result in customs releasing the goods. Customs is authorised to extend the above terms and usually grants such extensions to overseas proprietors. In such a lawsuit, the proprietor may obtain injunctive relief, damages and an order of the destruction of the goods. Customs holds goods whether due to a notice received from a proprietor or due to its own inspection. In recent years, customs has implemented these provisions intensively and infringing goods are held every day.

21 Discovery

What discovery devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Discovery proceedings are only available to the parties in the course of the main lawsuit and not during the interim relief proceedings. Within the preliminary proceedings of the main lawsuit, each party is entitled to demand a general discovery of documents, as well as a discovery of specific documents, provided that these are documents which are relevant to the disputed matters. After disclosing a document, the other party is entitled to see the document and obtain a copy of it. A refusal to discover documents may be brought before the court, which may order a party to disclose the requested documents. Documents that were not discovered are not admissible as evidence, unless otherwise decided by the court. Documents concerning the extent of the alleged infringement may not be disclosed within the process of discovery, since the plaintiff may be entitled to see such documents only after an infringement has been found by the court. Injunctions ordering discovery by third parties are very rare.

22 Timing

What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

Usually interim proceedings may be decided within four to six weeks. The court's decision in an *ex parte* application for interim relief would be given immediately and in such cases the court would shorten the time period in which to submit the parties' statements and fix a close date for the hearing. The main lawsuit proceedings would

Update and trends

An important issue currently being debated concerns the registrability of three-dimensional marks. The present policy of the Trademark Office is to deny most of the applications for three-dimensional marks, mainly because of the opinion that such marks should be protected as registered designs. Recently, the Supreme Court ruled that according to Israeli law, three-dimensional trademarks are registrable. A three-dimensional trademark that is the shape of the goods may not possess inherent distinctiveness but may be registered if it is proven to have acquired a secondary meaning.

Another issue which is in debate is the issue of well-known trademarks. The Supreme Court has ruled that the mark 'Absolute

Shoes', used in respect of shoes, is not an infringement of the famous mark of the Swedish vodka manufacturer. The court reasoned in this decision that the fields of shoes and alcohol are too far from each other. However, recently, the registrar ruled differently and found that the mark 'Virgin' may not be registered in respect of candles, due to the famous mark of the airline and records company.

Another issue that raises interest is the scope of protection of trademarks in the internet. Courts are now dealing with cases that concern the unlawful use and registration of domain names that infringe trademark registrations, and various causes of action available to prevent such use.

usually last at least two years until a judgment is given. The same time frames apply to infringement and dilution actions. An appeal on judgments in the above proceedings may take between 18 and 36 months. Criminal proceedings, which are available for only certain infringement cases in the form of a private criminal complaint, are supposed to be decided more quickly than civil proceedings.

23 Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The issue of costs depends on various factors, such as the type of remedies sought, the complexity of the facts and the legal arguments brought by the parties, and the rates charged by different attorneys. Typically, the costs involved in obtaining a decision in proceedings for interim relief would range from US\$15,000 to US\$40,000, depending on these factors. If search and seizure are to be obtained and carried out, the costs may increase significantly. The costs of litigating the main lawsuit until a judgment is given may range between US\$25,000 to US\$60,000, depending on the number of witnesses and the various stages of the trial, for example, liability and monetary damages. Using expert opinions or public opinion polls will, of course, increase costs. For an appeal that is heard before the Supreme Court, the costs may range from US\$15,000 to US\$50,000, depending on the complexity and the extent of the legal arguments brought by the parties. The courts award costs to a successful plaintiff but usually this does not cover the actual costs incurred in the proceedings.

24 Appeals

What avenues of appeal are available?

A judgment of a district court may always be appealed to the Supreme Court. A judgment of the Supreme Court is final. A judgment of the district court in an appeal on a decision of the magistrates' court may be appealed only if leave to do so is granted by the Supreme Court and the appellant has to establish that its appeal raises questions that are of interest to the public.

Leave must also be obtained in order to appeal an interim decision of the district court. It should be noted that most of the applications for leave to appeal interim decisions regarding interim injunctions in trademark cases are denied, and according to a recent amendment of the law, the cases in which such leave is granted were further limited.

25 Defences

What defences are available to a charge of infringement or dilution, or any related action?

Classical defences against interim reliefs are as follows:

- laches – the plaintiff delayed in initiating legal proceedings and therefore is not entitled to interim relief, which is defined as an equitable remedy;

- concealment of essential facts from the court – if an applicant for interim relief concealed relevant facts from the court, this may be sufficient to deny it the interim remedy;
- balance of convenience – if the respondent can establish any facts that convince the court that in weighing the balance of convenience, the harm that may result from the grant of the remedy is greater than the harm that may be caused to the applicant if the remedy is denied, then no injunction will be granted; and
- any contention to the merit of the infringement or dilution allegations as discussed below may be brought by the defendant within interim proceedings.

Possible defences in the main lawsuit include:

- there is no likelihood of confusion between the defendant's and the plaintiff's marks, based on differences between the marks themselves or differences in the descriptions of goods (that is, channels of distribution and the targeted consumers, consumers with expertise in the particular field in dispute, etc);
- the trademark is ineligible for registration for reasons set out in the Ordinance, such as lack of distinctive character, descriptiveness, laudatory character, etc, and therefore should not be enforced and should be removed from the Register by the court's injunction. Note that rectification actions based on the above grounds should be filed within five years of the date of grant of the certificate of registration and similarly defences based on such contentions may be subject to a limitation period of five years;
- acquiescence – the plaintiff acquiesced to the defendant's use of the registered mark for a long period, although it knew of this use, and therefore is now estopped from obtaining any relief;
- genuine use – the defendant makes genuine use of its own name or of the geographical name of its place of business or that the use made is a genuine description of the character or quality of its goods; and
- prior rights of the defendant – the defendant commenced use of the mark on its goods before the plaintiff registered the mark or acquired any other rights in the mark, and therefore the defendant acquired prior rights in the mark.

26 Remedies

What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

A proprietor is entitled to prevent an infringement of his mark in an interim or a permanent injunction. In appropriate cases he may obtain search and seizure or *Anton Piller* orders. Within a final judgment, the court may order the destruction of goods that were created during the infringement or were used to perform the infringement. The court may also order the transfer of ownership in the infringing assets to the plaintiff, in consideration of their real value, had an infringement not occurred.

The proprietor may also be entitled to monetary relief, such as damages or an account of profit. In an action that concerns an

unregistered well-known mark, the plaintiff would be entitled to injunctive relief only.

The plaintiff may elect to receive damages based on the actual losses caused by the infringement or to receive all the profits made by the defendant due to the infringement, based on an account of profit. In an action based on common-law rights, such as passing-off, statutory damages for up to 100,000 shekels for all the instances of a particular infringement are available to the plaintiff.

In criminal proceedings, the defendant may be liable to a maximum of three years' imprisonment or a fine that could amount to a maximum of 1.4 million shekels.

27 ADR

Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

There is a growing tendency to use mediation proceedings in Israeli litigation in general, and in IP disputes in particular. Where the plaintiff insists on the need to stop the infringement, mediation proceedings may not be appropriate and the parties would have to seek a court decision. Mediation proceedings may be used by the parties during the main lawsuit proceedings and Israeli law now provides that the parties are obliged to go to a preliminary mediation session. There is no real risk in such mediation, since if failed, these proceedings are strictly confidential and may not be referred to in court. On the other hand, there may be advantages in mediation, since the parties may find creative commercial solutions that are not available in court proceedings and may be able to settle matters that are not within the court's jurisdiction. Unlike a judge, the mediator is able to meet with each of the parties separately. Mediators are often without legal education and may bring to these proceedings different perspectives that may not be available to a court.



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