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1. Legal framework

The relevant national laws are:

- the Trademarks Ordinance (new version – 5732/1972);
- the Trademarks Regulations 1940;
- the Trademarks Regulations (Appeal before the Supreme Court) (5748/1987);
- the Trademarks Order (Protection of Industrial Property) 1934;
- the Merchandise Marks Ordinance 1929, as amended;
- the Merchandise Marks Regulations 1935;
- the Appellations of Origin (Geographical Indications) (Protection) Law (5725/1965);
- the Appellations of Origin (Procedure of Registration of Appellations of Origin Originating in a Foreign Country) Regulations (5727/1967);
- the Appellations of Origin (Procedure of Registration of Appellations of Origin Originating in a Foreign Country) Regulations (5727/1967);
- the Appellations of Origin (Procedure before Appeal Committee) Regulations (5727/1966); and
- the Symbols Protection Act (5735/1974).

Israel has signed the following international treaties:

- the Paris Convention for the Protection of Industrial Property (1883), Stockholm (1967);
- the Agreement on Trade-Related Aspects of Intellectual Property Rights;
- the Nice Agreement on the International Classification of Goods and Services (1957), Stockholm (1967); and
- the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (1958), Stockholm (1973),

Israel is also expected to join the Madrid Protocol within the next year.

2. Unregistered marks

While the Trademark Ordinance predominantly provides protection for registered trademarks, it also provides protection for unregistered well-known trademarks.

Unregistered marks which are not considered well known may be protected under:

- the Commercial Wrongs Law (5759-1999), incorporating the tort of passing off;
- the Consumer Protection Law (5741-1981), according to which a lawsuit may be initiated against a third party using the mark in a manner that deceives the consumer public; and
- the Law of Unjust Enrichment (5741-1981), according to which unfair competition and unfair use of one's goodwill in a mark is prohibited.

According to Israeli law and practice, there is no specific use requirement for the creation of the mentioned rights. Each case is judged on its own merits; the duration, extent and nature of use, as well as the nature of the mark, are all taken into consideration in order to determine whether a mark is eligible for protection.

3. Registered marks

Any person, legal entity, manufacturer or trader may obtain protection for a mark.

No power of attorney is required before filing, but one must be submitted to the Israeli Trademark Office (ITO) at a later stage. No notarization or legalization is required.

Scope of protection

In order for a mark to be eligible for registration and/or be entitled to trademark protection, it must distinguish the goods or services of its owner from those of others. Marks which are usually eligible for registration are fanciful, arbitrary or distinctive marks or marks that have acquired distinctiveness and which have no direct relation to the goods or services covered thereby.

The following marks are not eligible for registration:

- a mark referring to a connection with the president of Israel or his household or to presidential patronage, or a mark from which a connection or patronage might be inferred;
- flags and emblems of the state, its institutions, foreign states or international organizations, and any mark resembling any of these;

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- public armorial bearings, official signs or seals used by any state and any sign resembling any of these, and any sign from which it might be inferred that the proprietor enjoys the patronage of or supplies goods or renders services to a head of state or government, unless it is proved that the proprietor of the mark is entitled to use it;
 - a mark in which any of the following words appear: 'patent', 'patented', 'by royal letters patent', 'registered', 'registered design', 'copyright', 'to counterfeit this is forgery' or words to that effect;
 - a mark which is or may be injurious to public order or morality;
 - a mark which is likely to deceive the public, contains a false indication of origin or encourages unfair trade competition;
 - a mark containing a geographical indication in respect of goods originating in the geographical area indicated if the geographical indication may be misleading as to the real geographical area in which the goods originated;
 - a mark containing a geographical indication that is literally correct, but that contains a false representation to the effect that the goods originated in a different area;
 - a mark identical or similar to emblems of exclusively religious significance;
 - a mark on which the representation of a person appears, unless the consent of that person has been obtained; in the case of representation of a deceased person, the consent of his or her survivors is required unless reasonable grounds exist for not obtaining it;
 - a mark identical to one belonging to a different proprietor which is already registered in respect of the same goods or description of goods, or so nearly resembling such a mark as to be calculated to deceive;
 - a mark consisting of numerals, letters or words which are in common use in trade to distinguish or describe goods or classes of goods, or which bear direct reference to their character or quality, unless the mark has a distinctive character;
 - a mark whose ordinary significance is geographical or a surname, unless represented in a special manner or unless having a distinctive character;
 - a mark identifying wines or spirits that contains a geographical indication, if the wine or spirit did not originate in that geographical area;
 - a mark identical or misleadingly similar to a well-known trademark even if the mark is not registered with respect to goods for which the mark is well known or with respect to goods of the same description;
 - a mark identical or similar to a well-known registered trademark, even with respect to unrelated goods or services, if the mark sought to be registered might indicate a connection between the goods with respect to which the mark is sought and the registered proprietor of the trademark, and the registered proprietor of the trademark might be harmed as a result of using the mark sought; and
 - a mark identical to, resembling or containing the name or business name of another person or entity, if the mark is likely to deceive the public or to cause unfair competition.
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- #### 4. Procedures
- ##### Searches
- Official trademark searches are conducted for identical and/or confusingly similar marks, word marks and/or device marks for as many classes as requested.
- ##### Filing and examination proceedings
- Since multi-class applications are still not available in Israel, separate applications are required for each class. Approximately one year after the application has been filed, the mark's eligibility for registration is examined. The registration proceedings may be accelerated under certain conditions.
- During the examination stage, the examiner will conduct a search of the ITO database in order to determine whether any earlier registered and/or pending marks exist which are identical and/or confusingly similar to the proposed mark. The examiner will also determine whether the trademark is distinctive of the goods or services. Other

grounds for rejections may be based on the list of ineligible marks or the specification or classification of the goods or services.

Furthermore, a refusal may be issued based on the existence of a corresponding pending application (*inter partes* proceedings). If such a refusal is issued, the parties may resolve the conflict by reaching a settlement that should be approved by the registrar. If the parties fail to reach a settlement, the registrar will issue a decision based on three criteria:

- the applicants' good faith in choosing the trademark;
- the extent of use of the respective marks; and
- the filing dates of the applications.

A response to the examiner's objection must be filed within three months. If no response is submitted by the deadline or no extension of time is applied for, the ITO will close the trademark file. Extensions are available up to one year from the date on which the initial office action was issued. Extensions beyond one year are available provided that substantial reasoning is given.

Once accepted, the mark will be published for opposition purposes in the *Trademarks Gazette*.

Opposition

Upon publication, third parties have three months to oppose the registration. If no opposition is filed, the mark will proceed to registration. The opposition period cannot be extended. Under certain conditions (eg, if the parties negotiate a coexistence agreement), and if the applicant consents, a third party may file a short notice of opposition and request an extension to file its detailed statement of case.

Once the opposition is filed, the applicant has two months to respond by filing a counterstatement. Once the counterstatement is filed, the opponent must file its evidence in support of the opposition. Subsequently, the applicant has two months to file its counterevidence and the opponent may then file its evidence in response. The evidence is submitted in the form of affidavits. An oral hearing is then scheduled before the ITO, unless the parties reach a procedural agreement according to which they waive cross-examinations and simply proceed to submit

summations. The parties then proceed to submit their oral or (more usually) written summations and summations in reply. A decision will be issued thereafter. Such decision is final, unless appealed to the Supreme Court, and is binding between the parties.

Registration

If no opposition is filed within the opposition period or if an opposition has been dismissed, the mark proceeds to registration.

Renewal

Registered trademarks are valid for 10 years from the application date, unless the registration date falls on or before August 6 2003, in which case they are valid for seven years from the application date. In any event, once the mark has been renewed once, it is renewable every 14 years.

Cancellation and invalidation

Invalidation action: Any person may file an invalidation action for the removal or amendment of a trademark from the register on the grounds that it is not eligible for registration. Such application should be filed within five years of the registration date. However, if an application for trademark registration was filed in bad faith, there is no five-year limit.

Cancellation action: A cancellation action against a registered mark may be initiated at any time by any person interested on the grounds that there was no *bona fide* intention to use the trademark in connection with the goods for which it was registered, and that there has been no *bona fide* use of the trademark during the three years preceding the application for cancellation.

Although cancellation and invalidation actions may be submitted to the Supreme Court, it is common practice to submit cancellation and invalidation actions to the registrar at first instance.

5. Enforcement

Civil proceedings

In Israel, there are no special IP courts, but most hearings relating to IP rights are directed to highly experienced judges in this field.

A request for interim remedies is one of the most valuable tools for the protection of trademarks. The plaintiff will be granted a temporary injunction if the court is convinced that the plaintiff has an alleged chance to win the suit – and that the balance of convenience leans in its favour. The time limit for action is of great importance. A plaintiff that superfluously delays action may not be granted interim remedies. There is no rule of thumb as to how much time must pass before it constitutes such delay; this depends on the circumstances of each case. The main lawsuit, including the request for a permanent injunction, can be filed at any time within seven years of the date of infringement. However, in extreme circumstances a superfluous delay might stop the plaintiff from bringing the claim to court.

In Israel, an infringement complaint is usually filed with the district courts. If the plaintiff prevails, it is entitled to an injunction preventing the continuation of the infringements and in some cases destruction of the goods. The plaintiff is also entitled to a financial remedy.

Administrative proceedings

Following the Customs Ordinance, the Israeli Customs Authority is entitled to detain imported goods suspected as infringing trademarks.

Once Customs seizes the suspected goods (whether under a complaint submitted by the owner or by an arbitrary examination of shipments made by Customs), it notifies the owner.

Due to a recent change in customs practice, in most cases the trademark owner must now submit a bank guarantee to Customs for the purpose of compensating the importer for any financial damage that may be inflicted upon it as a result of the seizure. Once the rights owner is notified by Customs, it has three days to respond to the notice either by submitting the bank guarantee or by requesting an additional extension of three days to file the guarantee.

If the goods are indeed counterfeit, the rights owner can either settle the matter amicably with the importer or file a lawsuit against it within 10 days of the notice date. A further 10-day extension is possible. Unless

a bank guarantee is submitted and a settlement is reached between the parties or a lawsuit is filed against the importer within the stipulated deadlines, the goods will be released into the marketplace.

Criminal proceedings

The knowing infringement of a trademark constitutes a criminal offence. In the past, the authorities did not intervene in criminal prosecution with regard to trademarks and such proceedings were mostly initiated by the rights owners filing private criminal complaints. The Israeli police have now established an IP unit handling the criminal aspect of infringements and may act based on information obtained by its own investigation or by a complaint initiated by the owner of the trademark rights. The trademark owner is usually required to help the police by giving a deposition. It is still possible for trademark owners to file private criminal complaints.

6. Ownership changes and rights transfers

Assignment

A pending or registered trademark may be assigned with respect to all the goods or services covered thereby. The assignment should be recorded with the ITO as otherwise the actual user of the mark is not recorded, which may lead to non-use issues. A certification or collective mark may be assigned only with the consent of the ITO.

In order to record an assignment in Israel, an original deed of assignment executed by the assignor (or a certified copy thereof) is required. In addition, an executed power of attorney on behalf of the assignee is required. No attestation by witnesses, notarization or legalization of these documents is required.

Licence

Recordal of a licence agreement in Israel is mandatory. If a licensee is not recorded as a registered user, the trademark registration may be cancelled for non use. A recorded licensee can take action for infringement under certain circumstances.

In order to record the registered user, the licence agreement should indicate:

- the relationship between the proprietor of the mark and the person to be registered, including the extent of the control of the proprietor over the use by the authorized person;
- the goods in respect of which authorization is sought; and
- the conditions or limitations which are to apply to the use of the mark.

In addition, a power of attorney signed by the licensee should be submitted. No notarization or legalization is required.

It usually takes two to three months to record the assignment or registered user, depending on the ITO's workload.

7. Related rights

Under specific conditions, a trademark logo that has artistic value or a slogan may be protected under copyright law. Three-dimensional marks may be protected under design law.

The issue of trademarks overlapping with other IP rights is a complex one that has barely been addressed by the Israeli courts. It appears that most cases turn on their circumstances, but clear guidelines have yet to be established.

The courts recently addressed the registration of three-dimensional trademarks. A Supreme Court ruling extended the protection given to a trademark owner – in certain cases, the shape of a product may be protected as a three-dimensional trademark if it has acquired distinctiveness and is used as a trademark.

Another example is slogans. In Israel, slogans are not protected as trademarks as they are intended not to indicate the origin of the goods or services, but rather to praise the goods or services or describe them. Only in cases where it is proven that the slogan has acquired distinctive character based on extensive use in the marketplace as a trademark will the slogan be registrable, and only provided that such extensive use has led the public to recognize the slogan and its origin.

8. Online issues

Online issues may be governed by the Israeli courts or by the Israel Internet Association (ISOC-IL). ISOC-IL operates as the registry for domain names under the '.il' country-code top-level domain (ccTLD).

The IL-DRP is an alternative dispute resolution procedure intended to resolve disputes regarding the allocation of domain names under the '.il' ccTLD. The IL-DRP is not intended to create or replace judicial precedence or jurisprudence. Agreeing to dispute resolution under these procedures does not constitute an arbitration agreement as defined by the Arbitration Law.

Under the rules for allocation of domain names under '.il', the IL-DRP will review third-party challenges to an existing allocation of a domain name by ISOC-IL on a case-by-case basis. Disputes regarding the allocation of a domain name by a holder may be brought by a third party on the following grounds:

- The domain name is identical or confusingly similar to a trademark, trade name, registered company name or legal entity registration of the complainant;
- The complainant has rights in the name;
- The holder has no rights in the name; or
- The application for allocation of the domain name was made or the domain name was used in bad faith.

The courts have not yet considered what constitutes trademark infringement on the Internet. One case that should be mentioned is *ML v Crazy Line*, in which the Tel Aviv District Court dismissed trademark infringement and unfair competition claims against a defendant that used ML's marks to trigger Google AdWords. The court gave considerable weight to the fact that there was no use of the trademarks in the sponsored links themselves, but rather the use of the trademark was "behind the scenes", and held that such use should not constitute trademark infringement.

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Unregistered rights Protection for unregistered rights?	✓
Specific/increased protection for well-known marks?	✓
Examination/registration Representative requires a power of attorney when filing? Legalized/notarized?	✗ / ✗
Examination for relative grounds for refusal based on earlier rights?	✓
Registrable unconventional marks	3-D, colours, slogans, sounds ✓
Opposition Opposition procedure available? Term from publication?	3 months ✓
Removal from register Can a registration be removed for non-use? Term and start date?	3 years' consecutive non-use prior to filing of cancellation action ✓
Are proceedings available to remove a mark that has become generic?	✓
Are proceedings available to remove a mark that was incorrectly registered?	✓
Enforcement Specialist IP/trademark court?	✗
Punitive damages available?	✓
Interim injunctions available? Time limit?	but if there is a delay in requesting injunction the court may refuse it ✗
Ownership changes Is registration mandatory for assignment/licensing documents?	✓ / ✓
Online issues National anti-cybersquatting provisions?	✗
National alternative dispute resolution policy (DRP) for local ccTLD available?	ILDRP ✓