

Owner of O'NEILL mark recovers damages from printing company

Israel - Reinhold Cohn Group

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Confusion
Passing off

In *Sea and Shells Marketing Ltd v Hop Printing Tik-Tak Ltd* (Case 46339/05, November 9 2008), the Tel Aviv Magistrates Court has found a printing company liable for trademark infringement and passing off for printing t-shirts bearing a logo similar to the registered trademark O'NEILL.

The plaintiffs, the owner of the O'NEILL mark and its exclusive franchisee in Israel, brought an action against Hop Printing Tik-Tak Ltd for trademark infringement and passing off. Hop Printing contended that a third party had placed an order for t-shirts bearing the O'NEILL mark and logo in cursive script (whereas the registered mark consists of block letters). The plaintiffs alleged trademark infringement on the grounds of confusing similarity.

The court reiterated that the confusing similarity test examines whether a reasonable person using reasonable care is likely to be confused based on:

- the visual and aural similarity between the marks;
- the type of goods and the target customers; and
- other relevant circumstances.

Applying this three-pronged test, the court found that the marks:

- were deceptively similar (the only difference being the font of the letters);
- were used for identical goods (clothing); and
- targeted the same customers.

Hop Printing failed to provide any evidence that the t-shirts had been commissioned, or the logo supplied, by a third party. The court found that Hop Printing had also failed to check whether the logo was a registered mark, even though it was aware that the use of well-known marks is limited.

The court concluded that Hop Printing had infringed the O'NEILL mark and was thus liable for damages.

The court then proceeded to examine whether the plaintiffs had met the requirements for a passing off claim - namely, whether they had demonstrated that:

- they had goodwill in the goods at issue; and
- there was a reasonable apprehension that the general public may be misled into believing that the goods offered by Hop Printing originated from, or were related to, the plaintiffs.

The court held that the plaintiffs had demonstrated that:

- O'NEILL was a well-known mark in Israel and worldwide for sportswear; and
- significant resources had been invested in the promotion of the goods.

Therefore, the court concluded that the plaintiffs had successfully shown that they had goodwill in the goods at issue and that there was a reasonable apprehension of consumer deception.

The plaintiffs also alleged unjust enrichment under the Unjust Enrichment Law 1979 and sought damages for injury to their business. However, the court held that the plaintiffs had failed to demonstrate unjust enrichment or injury to their business. The plaintiffs were nevertheless awarded damages in the amount of IS30,000 (within the statutory limit of up to IS100,000 under the [Commercial Torts Law 1999](#)) for trademark infringement and passing off, and legal costs in the amount of IS8,000.

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