

BOSS Case allowed to proceed by way of originating summons

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Court system
 Unfair use
 Dilution
 Passing off

In *Ava Enterprises Inc v LS Future Marketing and Distribution Ltd* (Case 4357-06-08, January 18 2009), the Central District Court has rejected the defendants' application to strike out an action for trademark infringement brought by way of originating summons.

Ava Enterprises Inc, the owner of the registered trademark BOSS AUDIO SYSTEM, sought, by way of an originating motion, a declaratory judgment regarding its exclusive right to use the marks BOSS AUDIO SYSTEM and BOSS for audio systems.

Ava claimed that the defendants used a confusingly similar mark for identical products. The suit alleged, among other things, trademark infringement, passing off, dilution, unfair competition and unjust enrichment. Ava also requested an injunction preventing the defendants from using the infringing mark. Ava sought no monetary remedies, but reserved its rights to seek damages at a later date.

The court first considered whether an action for trademark infringement and passing off was appropriate in the context of the originating summons procedure. The court rejected the defendants' claim that such causes of action were inappropriate in a shortened procedure. In reaching its decision, the court assessed whether the action could be conducted under the originating summons procedure in light of procedural efficiency and the factual complexity of the case. Taking into account the facts and the evidence presented by the parties, the court concluded that the originating summons procedure was appropriate in this case.

Furthermore, the court noted that the originating summons procedure is sufficiently flexible to allow the examination of witnesses and, therefore, would not disadvantage the defendants. The court thus allowed the action to proceed by way of originating summons.

The court then considered the defendants' argument that injunctive relief was inappropriate in the context of the originating summons procedure. Although remedies are limited to declaratory judgment under the originating summons procedure, the court held that a declaratory judgment on trademark rights would be pointless without injunctive relief.

The court then turned to the issue of whether an action by way of originating summons barred Ava from seeking monetary remedies at a later date. The court left open the issue of whether leave should be requested, but opined in *obiter* that this might not be necessary.

In addition, the court rejected the defendants' claim that Ava had abused the legal process by resorting to the originating summons procedure in order to benefit from reduced court fees and avoid depositing a bond. The court noted that the right of access to the courts is a fundamental right and that only exceptional abuses of process would lead to a refusal to hear a case. In addition, the court held that although foreign companies are required to deposit a bond, Ava could be exempted from this requirement because the factual claims

relevant to the bond were not supported by affidavits.

The court further dismissed the defendants' argument that the action was barred by laches. According to the defendants, Ava's statement that it had become aware of the defendants' activities only recently was untrustworthy. However, the court held that the right to bring an action by way of originating summons was not affected by laches.

The court awarded costs in the amount of IS5,000 (approximately €1,000) to Ava and scheduled a pre-trial hearing.

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