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Former restaurant owner fails to prevent use of mark for café in different city

Israel - [Gilat, Bareket & Co., Reinhold Cohn Group](#)

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In *Dahan v GROB Yazamot Ltd* (Civil Case (TA Distr) 2067-08, December 26 2011), the Tel Aviv District Court has dismissed an action for injunction and damages brought by the owner of the trademark ATNACHTA (meaning 'pause' in literary Hebrew), who had formerly operated a restaurant in Jerusalem under that name, against a party operating a café under the same name in another city.

The plaintiff, the owner of the registration for the stylised word mark ATNACHTA ('break' or 'pause' in Aramaic, borrowed into literary Hebrew) operated a restaurant under this name in Jerusalem from 1990 to 2000, when he ceased using the mark.

In 2007 the defendants opened a café in Tel Aviv under the name Atnachta a Small Café on Dizengoff. The defendants unsuccessfully negotiated with the plaintiff to acquire his registration for ATNACHTA.

The plaintiff brought suit for infringement of his registered trademark, misappropriation of goodwill, unjust enrichment and other causes of action, seeking damages and injunctive relief. At the same time, the plaintiff brought suit against a restaurant owner who had opened a restaurant under the name Atnachta in Netivot in southern Israel. This [action was dismissed in 2010](#), when the district court ruled that the plaintiff had ceased to use his mark and that there was no risk of confusion due to:

- the differences between the marks;
- the fact that the relevant clientele was different for each restaurant; and
- the passage of time.

The defendants in the present case brought an action for the cancellation of the plaintiff's mark on the grounds of non-use under Section 41 of the [Trademarks Ordinance \[New Version\] 5732-1972](#). Following the plaintiff's failure to prove use in respect of restaurant and café services, or to demonstrate that there were special circumstances in the trade preventing such use, the registration of the mark was cancelled. The IP adjudicator in the cancellation proceedings also noted that it had not been proven that the mark's goodwill had survived.

In the present action, the court considered the impact of the other proceedings between the parties and vis-à-vis a third party, and noted that the courts had a tendency to recognise that there is issue estoppel where the parties are not identical but the party against whom estoppel is raised has had its day in court.

The court noted that both the adjudicator in the cancellation proceedings between the parties and another district court in an infringement action brought by the plaintiff against a third party had held that the plaintiff had not made use of his mark for 10 years (negotiations and legal proceedings not being tantamount to use) and that the conditions for cancelling the mark on the grounds of non-use under Section 41 of the ordinance were met. It further held that a registrant who fails to make use of its mark for the period set forth in Section 41 (three years) is not entitled to proprietary protection, unless special circumstances justify continued protection; in the present case, no such circumstances existed. Finally, in both proceedings the plaintiff's mark was held not to have retained reputation or goodwill.

The court in the present case embraced the factual and legal findings of the earlier proceedings and held that the defendants had chosen the name of their café in good faith. The court further held that the plaintiff was estopped due to the fact that he was aware of the defendants' business following the unsuccessful attempt to reach an amicable settlement and further business relations between the parties.

The court also held that there was no likelihood of confusion in light of the visual difference between the marks and because, due to the circumstances of the case, it could not be assumed that the public, whether based in Jerusalem or Tel Aviv, was likely to make a connection between a Tel Aviv café and the Atnachta restaurant that operated in Jerusalem in the 1990s.

With regard to passing off, the court held that, since the plaintiff's restaurant had been closed for many years and no use had been made of the mark to promote its recognition and associate it with the plaintiff in the public's mind, the latter had failed to prove that it had goodwill in the mark for passing off purposes.

The claim was dismissed, and costs in the amount of IS50,000 were awarded against the plaintiff.

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