

World Trademark Review Daily

Statutory bar to registration of similar mark not affected by contractual arrangement

**Examination/opposition
National procedures**

Israel - Gilat, Baret & Co., Reinhold Cohn Group

October 31 2012

In *Danziger v Mor* (CA 1611/07, August 23 2012), the Supreme Court has reversed on appeal a decision of the IP adjudicator allowing the registration of the trademark MORE STARS in Class 31 of the [Nice Classification](#) for plants and flowers, despite the existence of the earlier registered mark MILLION STARS in Class 31.

The applicant - the respondent in the appeal - applied in 2002 to register the mark MORE STARS (and device) in Class 31 for plants and flowers:



The applicant is a plant breeder who uses the mark for a new variety of gypsophila, which he registered as a new plant variety under the name Morin. The application was opposed by the owner of the registration for the word marks MILLION STARS and LUCKY STARS in Class 31 (the appellant in the appeal). The MILLION STARS mark is used by the opponent for a new gypsophila cultivar that it bred and registered in the 1990s as a new plant variety under the name of Dangymini, and that it has successfully marketed in many countries worldwide.

In 1999 the parties entered into a licence agreement under which the opponent granted the applicant a licence to grow and market the Dangymini variety; under the agreement, the applicant undertook to refrain from marketing the opponent's variety or his own variety of gypsophila for three years.

Prior to the opposition, in 2002 the opponent brought a claim against the applicant seeking, among other things, a permanent injunction against the use of MORE STARS and obtained an interim injunction, which was affirmed by the Supreme Court.

In the opposition proceedings, the opponent claimed that the applicant had attempted to benefit from the opponent's goodwill in its market-leader variety of gypsophila, enjoying multi-million dollar sales. It argued that:

- the parties' marks were confusingly similar; and
- the design element in the applicant's mark was similar to the scattered stars appearing on the opponent's product packaging and advertising.

The applicant alleged, among other things, that the choice of the mark was based on his family name (Mor), and that competition on his part would not be unfair, as it would break the opponent's monopoly.

The IP adjudicator dismissed the opposition and allowed the registration of MORE STARS, holding that the similarity between the marks was not confusing. The adjudicator also held that the three-year restriction in the licence agreement could be interpreted as meaning that the applicant was entitled to use his mark after the expiry of the restriction period. The opponent refused the applicant's proposal to change the mark to MORSTARS.

On appeal, the Supreme Court noted that a composite mark that is the basis of an opposition should be viewed as a whole; the appellant alleged that the respondent's mark was confusingly similar to its MILLION STARS mark, rather than objecting to the use of the element 'stars' by itself. The court noted that the position of the word element on the spectrum of distinctiveness (the adjudicator found the element 'stars' to be suggestive of the goods) is pertinent primarily where the word mark invoked to bar registration is alleged to be generic or descriptive. The Supreme Court held that MILLION STARS, as a combination, was arbitrary in relation to the goods at issue.

World Trademark Review *Daily*

The Supreme Court held that the marks were - notwithstanding the device element - visually and phonetically similar, and conveyed a very similar impression or idea. Further, the marks were used for the same goods, targeted the same customers and were sold through the same marketing channels. Under the "other circumstances" test, the conceptual message conveyed by both marks was virtually the same - that of a great number of stars (the court noted that the respondent had confirmed this interpretation upon examination).

Accordingly, the court did not address the other grounds for refusal invoked (eg, public policy, unfair competition, similarity to a well-known mark and implications of the 'family of marks' doctrine).

As to the licence agreement, the Supreme Court held that, in addition to the three-year restriction, the respondent remained bound by a different clause which forbade him from registering any trademark similar to that of the appellant. Moreover, the court noted that the statutory bar to the registration of a confusingly similar mark arises also from the need to protect consumers and, therefore, is not affected by contractual arrangements between parties.

The court reversed the adjudicator's decision to allow the registration of the mark and awarded costs of IS 50,000 against the respondent.

David Gilat and Sonia Shnyder, Gilat Bareket & Co, Reinhold Cohn Group, Tel Aviv

World Trademark Review (www.worldtrademarkreview.com) is a subscription-based, practitioner-led, bi-monthly publication and daily email service which focuses on the issues that matter to trademark professionals the world over. Each issue of the magazine provides in-depth coverage of emerging national and regional trends, analysis of important markets and interviews with high-profile trademark personalities, as well as columns on trademark management, online issues and counterfeiting.