

World Trademark Review *Daily*

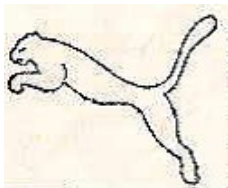
Use of leaping cat image held to infringe Puma's mark
Israel - Gilat, Baret & Co, Reinhold Cohn Group

Confusion
Dilution
Passing off

December 12 2013

In *Puma SE v City Wash Ltd* (CC (TA Distr) 1245-08, December 2 2013), the Tel Aviv District Court has held that a retailer which used the image a leaping cat with the word 'Tigris' had infringed [Puma SE's](#) marks, committed passing off and diluted Puma's goodwill. The court considered that an [earlier decision of the registrar](#) in opposition proceedings between the same parties operated as *res judicata*.

Puma, a renowned sportswear manufacturer, designs and sells footwear, apparel and accessories under its well-known 'leaping cat' mark. In Israel, Puma's 'leaping cat' mark has been registered since 1978 in Class 25 of the [Nice Classification](#) in respect of sportswear and footwear (Registration No 42113).



In 2007 the defendant, City Wash Ltd, a clothing importer which owns the word mark TIGRIS, applied to register a device mark that combined the word 'Tigris' with a leaping cat image for apparel, footwear and headgear in Class 25.



Puma objected to the registration.

In 2011 Puma's opposition was allowed and the mark was refused registration. City Wash appealed, but later withdrew the appeal.

In his decision, the IP adjudicator of the Trademark Office held that:

- Puma's mark had acquired secondary meaning;
- the parties' marks were confusingly similar;
- the contested mark diluted Puma's mark; and
- its registration would result in unfair competition.

The judgment at hand was given in an action brought by Puma in 2008, after a shipment of the defendant's goods (apparel) was detained by the Israeli Customs on suspicion of infringing Puma's registered trademark, in exercise of Customs' power under the Customs Ordinance (New Version). The action alleged trademark infringement under the [Trademarks Ordinance \(New Version\) 5732-1972](#), passing off under the [Commercial Torts Law 1999](#), dilution of goodwill and unjust enrichment under the Unjust Enrichment Law 1979.

The Tel Aviv District Court remarked that the decisions of the trademarks registrar, as well as those of the IP adjudicators, are to be treated as Magistrate Court judgments for appeal purposes. As held in earlier cases, the court ruled that the registrar's decisions - including the legal determinations and factual findings - may constitute *res judicata*, in the sense of collateral estoppel, with regard to the matters in dispute between the parties. The court reiterated the requirements for collateral estoppel under Israeli law, namely:

- the issue in dispute is the same legal and factual issue;
- the parties litigated the issue in the earlier proceedings and the estopped party has had its day in court;
- the issue was positively determined (on the merits) in the earlier proceedings; and

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- such determination was essential for the earlier judgment.

With respect to the facts of the case, the court noted that the striking out of the appeal by consent demonstrated that the parties had accepted the IP adjudicator's decision in its entirety.

Applying the doctrine of collateral estoppel to the dispute before it, the court held that the IP adjudicator in the opposition proceedings had made express and unambiguous determinations as to the existence of a likelihood of confusion, the dilution of Puma's goodwill and unfair competition, which were essential to his final decision. Therefore, these determinations gave rise to collateral estoppel in the present proceedings.

Accordingly, the court held that, because the 'likelihood of confusion' test is the same in opposition proceedings and in trademark infringement proceedings, and because Puma's mark was shown (in both proceedings) to have a secondary meaning that associated it with Puma's goods, the defendant's goods detained by Customs did infringe Puma's mark.

As to passing off (which requires a plaintiff to show goodwill and a likelihood of confusion), the court adopted the IP adjudicator's determination that Puma had demonstrated goodwill and that there was a likelihood of confusion. In this regard, the court remarked that, while the examination of the likelihood of confusion for infringement purposes differs from that for passing off, in this case the IP adjudicator's determination that the marks were very similar sufficed for passing-off purposes.

The court also relied on the IP adjudicator's determination in the opposition proceedings in holding that the defendant diluted Puma's goodwill. The ground of unjust enrichment was held not to be covered by collateral estoppel but, in the court's opinion, this was irrelevant in light of the existence of a registered mark which entitled Puma to seek remedies under the Trademarks Ordinance.

The court granted a permanent injunction against the use by the defendant of the leaping cat image, ordered the destruction of the detained goods and an accounting of profits. It awarded statutory damages for passing off in the amount of IS100,000, as well as attorneys' fees in the amount of IS40,000.

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