

World Trademark Review *Daily*

Examiner found to have erred in commencing proceedings between rival applications **Examination/opposition National procedures**
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In *Tambour Ltd v Nirlat Ltd* (Rival applications Nos 253301, 254151 and 254152, May 27 2014), the IP adjudicator of the Israeli Trademark Office has retroactively annulled the examiner's decision to cancel the acceptance of a mark in order to commence proceedings between rival applications. The adjudicator held that, to commence contentious proceedings between rival applications, the later application must have been filed at least a day before the acceptance of the earlier application.

The dispute involved two well-established paint manufacturers in Israel. *Tambour Ltd*, which manufactures a grainy-effect decorative coating in a variety of shades and finishes under the name Sahara, filed an application to register the trademark SAHARA in Hebrew (Application No 253301) on February 11 2013. After a substantive examination, on March 3 2013 Tambour received a notice of acceptance of the mark, which was to be advertised in the forthcoming *Trademarks Journal*.

On the same day that Tambour's mark was accepted (March 3 2013), its competitor *Nirlat Ltd* filed two applications for the mark SAHARA in Hebrew and in English (Application No 254151) and SAHARA BRUSH in Hebrew and in English (Application No 254152).

Nirlat petitioned the examiner to cancel the acceptance of Tambour's application, without serving a copy of its petition on Tambour.

The examiner granted Nirlat's petition *ex parte*, cancelling the acceptance of Tambour's mark and commencing proceedings between the rival applications under Section 29(a) of the [Trademarks Ordinance \(New Version\) 5732-1972](#).

Section 29(a) of the ordinance reads as follows:

"Where different parties have made separate applications to be registered as proprietors respectively of identical or confusingly similar trademarks in respect of the same goods or description of goods, and the later application was filed before the acceptance of the prior application, the registrar may refrain from accepting the applications until the parties' respective rights have been determined by agreement between them approved by the registrar and, absent such agreement or approval, the registrar will decide in a reasoned decision which application will proceed under the ordinance."

Nirlat's main legal argument was that, in accordance with the proper interpretation of Section 29(a), the wording 'filed before' should be read as also meaning "filed on the same day". Therefore, proceedings between rival applications could also be instituted when the later application was filed on the day of the earlier application's acceptance.

Tambour applied to the Trademark Office's judicial board to have the examiner's decision annulled.

The IP adjudicator held that, while an administrative decision (eg, the acceptance of a trademark application) may be rectified and the ordinance expressly permits in Section 26 that acceptance may be cancelled in the event of a mistake, in the present case the examiner's administrative decision to annul the acceptance of the mark had been made in error, and was not the correction of a mistake which would have permitted annulment under Section 26 of the ordinance.

The IP adjudicator held that the examiner had erred in law in adopting an erroneous interpretation of the ordinance regarding the definition of 'rival applications', and had erred in the exercise of his discretion as, pursuant to Nirlat's application, he had cancelled the acceptance of Tambour's mark without giving Tambour an opportunity to respond. It was noted that the examiner had made an error of judgment by not referring the matter to the Trademark Office's judicial board.

The IP adjudicator further held that the proper interpretation of Section 29(a) of the ordinance was that rival application proceedings may be instituted where the later application was filed at least one day before the acceptance of the earlier application, as the ordinance sets timeframes (and the Trademark Office operates) in days, not hours or minutes; any other interpretation would result in uncertainty for trademark applicants.

In her interpretation, the IP adjudicator relied on the language of the section as a means to ascertain its

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legislative intent and on its legislative history, noting that the timing requirement (according to which, in order for rival application proceedings to commence, the later application must have been filed before the acceptance of the prior application) was added to the section in 2003 to promote certainty and prevent abuse of process, among other things. She also relied on the Trademark Office's Practice Guidelines, which provide that proceedings under Section 29 may not be instituted against marks which have been "accepted".

In reaching her decision, the IP adjudicator had regard to, among other things:

- the fact that Tambour would be injured if it was improperly denied its relative advantage and quasi-proprietary right in the accepted application;
- Nirlat's improper conduct of the proceedings; and
- the lack of injury to Nirlat, as it would be able to oppose Tambour's accepted mark.

Accordingly, the IP adjudicator annulled the examiner's decision to cancel the acceptance of Tambour's mark, with retroactive effect, and cancelled the rival application proceedings. It ordered Tambour's mark to be reinstated as accepted as of March 3 2013 and advertised for the purposes of opposition proceedings.

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