

Trademarks

in Israel

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Correct on

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LEGAL FRAMEWORK

Domestic law

What is the primary legislation governing trademarks in your jurisdiction?

The primary legislation governing trademarks in Israel is:

- the 1972 Trademark Ordinance (New Version);
- the 1940 Trademark Regulations;
- the 1987 Trademark Regulations (Appeals before the District Court);
- the 2007 Trademark Regulations (Implementation of the Madrid Protocol);
- the 1929 Merchandise Marks Ordinance;
- the 1965 Protection of Appellation of Origin and Geographical Indications Law; and
- the 1999 Commercial Civil Wrongs Law, Section 1 – Passing Off.

International law

Which international trademark agreements has your jurisdiction signed?

Israel is a signatory to the following international trademark agreements:

- the Paris Convention for the Protection of Industrial Property;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights;
- the Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods;
- the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks;
- the Hague Convention Abolishing the Legalisation Requirements for Foreign Public Documents;
- the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration;
- the Convention Establishing the World Intellectual Property Organisation; and
- the Protocol relating to the Madrid Agreement Concerning the International Registration of Marks.

Regulators

Which government bodies regulate trademark law?

The Israel Patent Office is the government body regulating trademark law.

REGISTRATION AND USE

Ownership of marks

Who may apply for registration?

Any person or legal entity may file an application for trademark registration. Citizenship or residency is not required.

Scope of trademark

What may and may not be protected and registered as a trademark?

Any mark may be registered insofar as it can distinguish the goods and services of the trademark owner from those of others. A 'mark' is defined as 'letters, numerals, words, images or other signs or combinations thereof, in two or three dimensions'. This broad and flexible definition includes:

- word marks and logos;
- colour marks (ie, marks consisting of one or more colours only, without wording or design);
- 3D trademarks, including product and packaging shapes;
- motion marks (ie, a mark that makes a series of motions);
- holographic marks; and
- sound marks.

No scent or taste marks have been registered as yet. Service, certification and collective marks may also be registered.

Unregistered trademarks

Can trademark rights be established without registration?

Trademark rights may be established without registration, based on local goodwill, under the tort of passing off. The establishment of such local goodwill usually requires long and substantial use in Israel, but use abroad may suffice in exceptional cases.

Famous foreign trademarks

Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

A foreign trademark which is also famous domestically is protected even if not used domestically. If a mark is not registered in Israel, it is entitled to protection against the use and registration of a confusingly similar mark in respect of goods or services for which the mark is known or goods or services of the same description. If registered in Israel, a mark is entitled to protection against the use and registration of a similar mark in respect of goods which are not of the same description, provided that such use could make the public believe that a connection exists between the goods or services concerned and the owner of the registered trademark, and that the owner could be harmed as a result of such use.

The benefits of registration

What are the benefits of registration?

Trademark registration in Israel provides a number of benefits, including:

- a right to exclusively use the trademark in Israeli territory;
- a legal presumption of right and ownership;
- a right to take legal action against infringement based on the 1972 Trademark Ordinance (New Version);

- availability of a border enforcement mechanism, allowing detention of suspected infringing goods by Customs;
- a possibility to file a complaint with the police for counterfeiting; and
- extended protection for well-known marks.

Filing procedure and documentation

What documentation is needed to file a trademark application? What rules govern the representation of the mark in the application? Is electronic filing available? Are trademark searches available or required before filing? If so, what procedures and fees apply?

A power of attorney on behalf of the applicant and in favour of the attorney filing the application must be submitted at the Israel Patent Office in order to file a trademark application. The form must be signed by a competent officer of the applicant company and a scanned copy of the executed document must be submitted. The original must be available on request by the registrar. Legalisation or notarisation of said document is not required.

Where conventional priority is claimed based on a corresponding foreign application under the Paris Convention, the applicant must provide an authorised copy of the corresponding foreign application and an English translation. All of the documents must be submitted to the Israel Patent Office within three months from the filing date of the application (a deadline which may be extended).

Device or stylised mark registrations require a specimen in JPG format, while sound mark registrations require a specimen in MP3 format.

Electronic filing is available. It is mandatory for corporations and trademark attorneys filing for others (ie, lawyers or patent attorneys).

Official trademark availability searches are available before filing.

An official trademark similarity search covers only a single international class. The official fee per search is NIS647 (approximately \$180, depending on the exchange rate).

The Israel Patent Office automatically extends searches to additional relevant classes; however, they are not always fully covered, depending on the listed goods or services provided with the search request. A search for a device mark covers only one class. The cost is the same as above.

Registration time frame and cost

How long does it typically take, and how much does it typically cost, to obtain a trademark registration? When does registration formally come into effect? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration?

According to existing examination rates at the Israel Patent Office, applications are usually examined 10 to 12 months after filing.

The official fee for filing trademark or service mark applications is NIS1,623 (approximately \$450, depending on the exchange rate).

Marks come into effect on the date of their registration (ie, at the end of the opposition period, including overcoming any opposition); however, the filing date is considered the relevant date for the rights to a mark which has been filed for registration or used.

An accelerated examination is available under special circumstances (eg, an ongoing or impending infringement) on submission of a supporting affidavit specifying the grounds for the request.

Accelerated examination is likely to take place within one month from such a request.

The official fee for accelerated examinations is approximately \$265 (depending on the exchange rate).

A rough estimate of the total cost for the registration of an average mark in a single class is several thousand dollars.

Classification system

What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The 11th edition (2019) of the International Classification system is followed.

Multi-class applications are available. The official fees for filing multi-class trademark or service mark applications are as follows:

- NIS1,623 (approximately \$450) for first class; and
- NIS1,219 (approximately \$340, depending on the exchange rate) for each additional class filed simultaneously for the same mark.

Examination procedure

What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? Are letters of consent accepted to overcome an objection based on a third-party mark? May applicants respond to rejections by the trademark office?

The review of trademark applications involves both technical and substantial aspects. A substantial examination includes both absolute and relative grounds.

When examining technical aspects, the examiner makes sure that all technical requirements are fulfilled, including filing a power of attorney and paying additional fees.

The examiner then examines the wording of the description of goods or services (eg, for clarity, non-ambiguity and generalisations) and the classification. If the description of goods or services appears to cover other classes than those initially requested, the examiner may require a change of classification or adding classes to the application.

The Israel Patent Office then examines the mark on relative grounds (eg, potential conflicts with prior registrations and applications) and absolute grounds.

Letters of consent may help overcome an initial refusal based on a cited mark, but the examiner is not bound to cancel a citation on submission of a letter of consent.

Applicants or representatives (eg, trademark and patent attorneys) may respond to rejections by the trademark office within three months (extendable).

Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

There is no pre or post-registration term by which an owner of a registered trademark must provide proof of use in Israel. Further, under Israeli trademark law, the registrar does not require submission of proof of a trademark's use on its own initiative.

However, if a mark has not been used for three consecutive years after its registration, the registration becomes vulnerable to cancellation on request by an interested party on the grounds of non-use. In such a case, submission of proof of use is required to defend the registration.

Markings

What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

The symbols ™ and ® may be used to indicate trademark use or registration. Marking is not mandatory.

Falsely indicating that a product is protected by trademark registration (eg, by using the ® symbol or indicating "Registered Trademark") is a criminal offence. Section 3 of the Product Marking Ordinance states that any person designating a false commercial description to a product or selling or offering such goods is liable to penalties (eg, fines and even imprisonment), unless they prove that they did so without intent to deceive. No criminal cases have implemented this provision, but in practice, such situations (ie, falsely indicating trademark registration) may be used in civil suits in order to establish bad faith (eg, denying a party equitable relief).

Appealing a denied application

Is there an appeal process if the application is denied?

Yes, the following appeal process applies if an application is denied:

- An applicant may appeal an examiner's initial refusal within three months (extendable up to 11 months, or longer under special circumstances).
- The applicant may request a hearing before the registrar.
- The registrar's decision is subject to an appeal to a district court within 30 days.
- The applicant may file a motion to appeal a district court decision to the Supreme Court within 30 days.

Third-party opposition

Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?

Trademark applications are published for an opposition period of three months, during which a third party may file an opposition on absolute and relative grounds. Absolute grounds include descriptiveness, marks harmful to public policy, deceptive marks and marks encouraging unfair competition. Relative grounds include marks harmful to third-party property rights and applications identical or similar to another party's business name.

Registered trademarks may be cancelled by third parties on the same absolute and relative grounds available in oppositions within five years of the date of the trademark registration. There is no time limit to file a cancellation action against a trademark registration on the grounds that it has been filed in bad faith.

An additional ground for removal of a trademark from the registry occurs if there has been no use of the mark during the three years preceding the petition for removal.

Opposition and cancellation proceedings are similar and include:

- the submission of detailed statements;
- filing of evidence in the form of affidavits;
- a cross-examination hearing before the registrar; and
- written summations.

The registration of a trademark is not a condition for filing opposition or cancellation proceedings. Brand owners may attack trademark applications and registrations based on common law rights acquired through use of the trademark and on international goodwill attached to a trademark.

The range of costs associated with a third-party opposition or cancellation proceeding will vary on the merits of each case.

Duration and maintenance of registration

How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

A trademark registration may remain valid for an unlimited period, subject to renewal 10 years after filing and every 10 years thereafter. Renewal takes place on request and payment of the following fees:

- \$805 per renewal for single-class registrations; and
- \$805 for the first and \$680 for each additional class renewed for multi-class registrations.

Following the renewal deadline there is a six-month grace period in which a registration may be renewed, subject to payment of belated renewal fees. However, when a mark is not renewed by the due date or within the six-month grace period (with payment of belated renewal fees), it is removed from the register and may no longer be renewed. At that stage, it is possible to request its reinstatement by filing a suitable affidavit, but such a request must be filed within six months. In other words, if more than a year has passed since the renewal date, it is no longer possible to renew or reinstate a lapsed registration.

Moreover, the cancelled registration is deemed valid for an additional six-month period and consequently may be cited during the examination of a new application.

Surrender

What is the procedure for surrendering a trademark registration?

The owner of trademark registration may voluntarily surrender it by filing a request with the Israel Patent Office.

The unilateral surrender of a registered trademark during cancellation or other contentious proceedings is not recommended since the trademark owner risks being ordered to pay costs to the applicant for cancellation. In such proceedings, it is recommended for the parties to file a joint notice to the Israel Patent Office requesting the withdrawal of the registration and termination of the proceedings without an order for costs.

Related IP rights

Can trademarks be protected under other IP rights (eg, copyright, designs)?

Trademark registration does not preclude other IP protections such as copyrights and industrial designs.

Trademarks online and domain names

What regime governs the protection of trademarks online and domain names?

The use of domain names or trademarks online which are identical or confusingly similar to a registered trademark or an unregistered well-known trademark constitutes infringement. In addition, the owners of unregistered trademarks (namely, brand owners that acquired common law trademark rights and goodwill through use of a trademark) are entitled to enforce their rights against the unauthorised use of trademarks online or domain names which are identical or confusingly similar under unfair competition laws (eg, passing off), as well as based on the circumstances, unfair interference with access to a trader's business under Sections 1 and 3 of the Commercial Civil Wrongs Law 1999, respectively.

The Israel Internet Association provides an expedited procedure resolution for disputes concerning the allocation of domain names under the '.IL' country code top-level domain filed or used in bad faith, including disputes with respect to domain names which are identical or confusingly similar to registered or unregistered trademarks.

LICENSING AND ASSIGNMENT

Licences

May a licence be recorded against a mark in the jurisdiction? How? Are there any benefits to doing so or detriments to not doing so? What provisions are typically included in a licensing agreement (eg, quality control clauses)?

Under Israeli trademark law, the actual user of a trademark must be recorded in the Israeli trademark register as an 'authorised user' in respect of all relevant Israeli trademark registrations. The use of a registered trademark by a person other than the registered owner may not be regarded as 'use of the mark' by the trademark owner, unless the other person is an authorised user. In other words, in order for any trademark use (exclusive or non-exclusive) to accrue to the registered owner of a mark, the actual user has to be recorded as such in the trademark register.

In connection with the above rule, the current practice of the Israel Patent Office is strict and applies even when the user is a wholly owned subsidiary of the trademark owner.

A typical situation in which use by a non-registered user might present a serious problem is when the use concerned is exclusive (or when there are several users, none of which is the registered owner of the mark or recorded as an authorised user). In such a case, after three consecutive years from the registration date, the trademark registration becomes vulnerable to cancellation on the grounds of non-use despite the use by the non-recorded users.

Recordal of the licence may take place only after a mark is registered. However, it is advisable to have the licence

agreement finalised and executed before the licensee starts using the mark.

In order to apply for the recordal of an authorised user in the Israeli trademark register, the following documents are required:

- a power of attorney on the licensor's behalf;
- a power of attorney on the licensee's behalf; and
- the licence agreement or a certified copy thereof.

None of these documents requires legalisation. Further, in accordance with the current Israel Patent Office policy, either the licensor or licensee must confirm that the licence recordal is unlikely to mislead the public to the best of its knowledge and understanding.

Assignment

What can be assigned?

Any trademark registration or application may be assigned.

Assignment documentation

What documents are required for assignment and what form must they take? What procedures apply?

Assignment recordation requires a document attesting to the assignment of the Israeli trademarks and the power of attorney on the assignee's behalf.

The assignment document may be in the form of a deed signed by the assignor or an agreement (ie, a duly notarised certified copy) signed by both parties, specifying the title and registration number of the trademarks. If an agreement including the assignment has already been executed, it is possible to submit a confirmatory deed of assignment which refers to the previous, more general agreement, and specifies only the details relevant to the assignment of the specific trademarks in Israel.

Currently, all documents are filed electronically at the Israel Patent Office and scanned copies of all of the original documents (or of notarised certified copies) are required. However, the registrar reserves the right to request the original documents at any time.

Validity of assignment

Must the assignment be recorded for purposes of its validity?

An assignment does not have to be recorded in order to be valid. A chain of title (eg, an assignment or merger) should be recorded in the trademark register. While there is no explicit legal time limit for such recordation, it is recommended to have the change duly recorded in the trademark register as soon as possible.

Security interests

Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Security interests are recorded in the Israeli pledge register. Validity and enforceability must also be recorded. However, security interests cannot be recorded in the Israeli trademark register.

ENFORCEMENT

Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

A trademark owner may enforce its rights against an alleged infringer or dilutive use of a mark with an action before the court. The action may be filed together with a motion requesting interim relief.

Owners of well-known registered and unregistered marks as well as owners of registered marks may base their action on trademark infringement. Owners of trademark rights acquired through use must base their action on other causes of action in order to obtain protection, such as the tort of passing off, as defined under the Commercial Civil Wrongs Law 1999.

The Israeli judicial system consists of magistrates courts, district courts and the Supreme Court. While there are no specialised courts, IP matters are usually heard before district courts (the second instance).

The owner of a registered mark whose right has been infringed or faces infringement may be able to resort to administrative measures of protection, such as filing a complaint with Customs in order to detain future shipments of goods likely to infringe its registered trademark.

In addition, several acts involving the unauthorised use of registered trademarks and their imitations incur criminal liability under different trademark laws. For instance, according to the provisions of the Trademark Ordinance, several acts incur criminal liability and corporate officers are also liable to penalties. These criminal offenses include:

- the unauthorised commercial marking of goods bearing a registered trademark with respect to the same goods which is likely to create confusion;
- the unauthorised commercial import of goods bearing a registered trademark with respect to the same goods or imitation of such mark which is likely to create confusion;
- the commercial sale, distribution or rent of goods marked or imported to Israel bearing a registered trademark with respect to the same goods; and
- possession for trade purposes of goods so marked or imported.

Other criminal offenses are stipulated by the Merchandise Marks Ordinance, such as the prohibition to sell or possess for commercial or industrial purposes goods or items bearing a fake trademark.

In order to open a criminal proceeding, the mark owner may either file a complaint with the police with respect to the infringement of a registered trademark or file a private criminal complaint with the court.

Procedural format and timing

What is the format of the infringement proceeding?

The Israeli judicial system consists of magistrates courts, district courts and the Supreme Court. IP matters are usually heard before the district courts. A trademark infringement or dilution action is initiated by filing a statement of claims detailing the facts that if subsequently proven will establish the cause of action.

The defendant must file a defence statement and the plaintiff, at its discretion, may respond to the defence statement with a statement of response. Once the exchange of pleadings is finished the case proceeds to pre-trial, during which the parties conduct preliminary proceedings which may include:

- discovery;
- inspection;
- disclosure of specific documents; and
- interrogatories.

Following this, there is one or more pre-trial hearings, which aim to resolve the pending preliminary issues being disputed by the parties and obtain decisions on miscellaneous motions. During the pre-trials, a judge will decide on the next stages of the proceedings and the due dates for submission of evidence by the parties, usually comprised of written affidavits, surveys and expert opinions. Once the parties have submitted their evidence, a trial hearing is scheduled for the cross-examination of the affiants and experts. Subsequently, the parties will exchange their summations and the judge will hand down a decision.

To open a criminal proceeding, trademark owners may file a complaint with the IP unit of the Israeli police; the criminal proceedings are handled and controlled by the state. In cases where a trademark owner decides to control and handle the criminal proceedings, it is also entitled – depending on the circumstances – to file a private criminal complaint with a magistrate court.

The typical timeframe for trademark infringement, dilution or criminal actions is two to three years from the filing of the claim until the issuance of a decision.

Burden of proof

What is the burden of proof to establish infringement or dilution?

The burden of proof in trademark infringement proceedings will vary according to the relevant causes of action.

For infringement of a registered trademark, the trademark owner should demonstrate unauthorised use of its registered trademark or of a similar trademark with respect to the same goods or services or with respect to goods or services of the same description.

In cases of infringement of a registered and well-known trademark, the trademark owner may obtain protection against the unauthorised use of its trademark or of a similar trademark also with respect to goods and services of different descriptions. For this purpose, it should demonstrate that such use is likely to indicate a connection in consumers' minds (likelihood of association) between such goods and services and itself and that it might be harmed as a result of such use.

No separate registration exists for well-known marks, so determining whether a registered mark is well-known is a judicial matter which takes into account the extent to which the mark is known in public circles relating to it and the extent to which it is known as a result of marketing

In cases of infringement of an unregistered well-known trademark, the trademark owner may obtain protection against the unauthorised use of its trademark or of a similar trademark with respect to goods and services of the same description.

The owner of an unregistered trademark may not institute a cause of action on the basis of trademark infringement, but under the tort of passing off. To establish passing off, a plaintiff must prove two elements: the goodwill (reputation) in its goods and services and the likelihood of confusion as to the origin of the goods and services.

In order to determine confusing similarity for the purposes of establishing trademark infringement and passing off, when assessing similarity between trademarks the Israeli courts examine the marks in their entirety, having regard to their overall impression. A three-fold test applies that examines the visual and phonetic similarity between the marks, the similarity of the goods, the targeted customers and channels of distribution and other case circumstances, including the general idea behind the marks. While with respect to trademark infringement actions, the focus is on the confusing similarity between the marks themselves; for the purposes of passing off, likelihood of confusion is examined, having regard to the entirety of the defendant's conduct.

The dilution doctrine may apply in cases of registered and unregistered well-known trademarks and internationally famous businesses. Dilution will also exist in the absence of likelihood of confusion, in cases when the trademark possesses strength exceeding specific goods and services and where the infringing use is intended to promote the business of another trader through free-riding on the goodwill of the trademark owner's famous mark, through blurring its distinctiveness.

Standing

Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

Only trademark owners (including owners of well-known unregistered marks) may seek relief in cases of trademark infringement. A licensee cannot bring an action for trademark infringement. Registered trademark owners can also initiate criminal proceedings by filing a private criminal complaint with the court or filing a complaint with the IP unit of the police.

Border enforcement and foreign activities

What border enforcement measures are available to halt the import and export of infringing goods? Can activities that take place outside the country of registration support a charge of infringement or dilution?

Registered trademark owners whose rights have been infringed or that face 'reasonable suspicion' that their rights will be infringed may file a complaint with Customs to detain allegedly infringing goods which are being imported to Israel or to the Palestinian authorities through Israel.

Customs may, either on receiving such notice or on its own initiative, detain imported goods that prima facie infringe registered trademark rights. Detention by Customs is subject to the deposit of an indemnification guarantee by the trademark owner and, depending on the size of the shipment detained, may be cancelled if the owner fails to deposit a guarantee and bring a legal action within 10 days of the notice of detention.

There are no available border enforcement measures with Customs for the export of infringing goods from Israel.

Due to the territoriality of trademark rights, the courts are likely to limit their considerations to acts carried out in Israel.

Eventually, a blatant infringement of trademark rights or other bad conduct made outside Israel will increase the chances of successfully establishing bad faith, such as the personal knowledge of the defendant of an unregistered trademark which has acquired international reputation outside Israel.

Discovery

What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

The discovery, inspection, disclosure with respect to specific documents and written interrogatory proceedings are available in Israel. Discovery proceedings are not available against non-parties. Anton Piller search and seizure orders may be granted if the courts are convinced of the likelihood of the defendant destroying evidence or assets required for the trial.

Timing

What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

The typical timeframe for a trademark infringement or dilution action from the filing of a claim until the issuance of a decision is two to three years in the first instance and two years on appeal. Applications for interim relief may be resolved within weeks or sometimes several months.

Limitation period

What is the limitation period for filing an infringement action?

There is a seven-year limit for filing an infringement action, which is prescribed by law starting on the date the cause of action occurred. Where brand owners were unaware of an infringement, the limitation period starts on the date that the infringement was brought to their attention. Relevant case law holds that each act of infringement gives rise to a new claim, making it possible to file an infringement action seeking injunctions after the seven-year limit; however, damages can be recovered only for the seven-year limitation period.

Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The official fee rate for filing an infringement or dilution action is 2.5% of the claimed amount. Court fees are paid in two equal instalments: the first when filing an action and the second up to 20 days prior to the date scheduled for the first evidence hearing. It is common practice to indicate a nominal amount for court fees. The official fees relating to the appeal will depend on the specific appeal concerned, but it will not surpass a few thousand shekels.

According to case law, the prevailing party is generally entitled to reimbursement of its reasonable legal costs and attorney fees, but the reimbursement is typically only partial and depends on several case circumstances, such as the parties' conduct during the proceedings.

Appeals

What avenues of appeal are available?

The Israeli judicial system consists of magistrates courts, district courts and the Supreme Court. Trademark infringement cases are normally heard before district courts as first instance and the decisions may be appealed to the Supreme Court. Other miscellaneous decisions such as decisions in interim relief proceedings may be appealed to the Supreme Court, but only with leave.

Defences

What defences are available to a charge of infringement or dilution, or any related action?

The most common defences available to a charge of infringement or dilution include:

- phonetic, visual and conceptual differences between marks;
- the unlikelihood of confusion due to different goods and services, different consumers or different exclusive channels of distribution;
- the independent adoption of marks in good faith and prior or concurrent rights acquired by a defendant through use of a mark in good faith;
- the weakness and descriptiveness of an allegedly infringed trademark, allowing co-existence; and
- challenges to the validation of an infringed trademark due to lack of distinctiveness, genericness or rights acquired in bad faith.

Additional common law defences are available, including estoppel, laches, acquiescence and waivers.

Remedies

What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

The remedies available to a successful party in an action for trademark infringement or dilution include permanent injunction, damages caused to the trademark owner such as loss of profit or, alternatively, accounting for profits and profits unjustly made by the defendant.

An award of damages may be based on proof of damage suffered by the owner or by way of judicial assessment. In trademark infringement and dilution cases involving the tort of passing off, the plaintiff may be entitled to statutory damages without proof up to NIS100,000 for each tort. The amount of statutory damages awarded considers, among other things:

- the gravity of the matter;
- the number and duration of the infringing actions;
- the infringer's conduct; and
- the size of its business.

It is also possible to obtain an order for the destruction of infringing goods or their delivery to the trademark holder, as well as any other order that the court may deem prudent in the circumstances (eg, different declarative judgments such as recognition of well-known trademarks).

In cases of infringement of unregistered well-known trademarks, the only remedy available in a cause of action based on trademark infringement is an injunction; however, other remedies are available under different causes of action such as passing off and unjust enrichment.

In appropriate cases it is possible to file a motion requesting different preliminary remedies such as orders for interlocutory injunctions, search and seizure orders and orders restricting disposition with respect to an asset. A motion for interim relief must be requested simultaneously with or shortly after filing the statement of claims; in extraordinary circumstances of urgency, the interim relief may be granted *ex parte*, before the *inter partes* hearing.

Several technical and substantial conditions must be met to have the interim reliefs granted and avoid the motion being denied. The motion must be filed with an affidavit to support the factual claims and the applicant must file a personal undertaking not limited to an amount and a third-party guarantee at an amount set by the court to indemnify the defendant for its eventual damages if the claim terminates or is found to be unjustified and is revoked.

The motion for interim relief must persuade the judge that the interim relief is crucial to prevent irreparable damages and keep the status quo, demonstrating reasonable chances of success in the main case and that the balance of convenience is in the plaintiff's favour. Moreover, the plaintiff must draft the motion in good faith, disclosing all of the important facts and documents to the court in a timely manner, since excessive delay in seeking the relief may amount to laches and dismissal of the motion.

Different penalties apply to offences relating to trademark infringements, including fines and up to three years' imprisonment.

ADR

Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

The most widespread ADR practice is mediation, which is expressly encouraged by judges and the court system and requires the parties' mutual consent. The benefits of mediation include parties' control over the dispute, potential cost savings and proceeding confidentiality; however, there is a risk of bad management.

Arbitration is also common; verdicts are legally binding on both sides and enforceable in courts. The parties can decide whether arbitration decisions are appealable. Benefits of arbitration include expeditiousness of the proceedings due to the substantial workload in the Israeli court system, the non-public character of the proceedings and the parties being able to choose an arbitrator with trademark law expertise.

UPDATE AND TRENDS

Key developments of the past year

Are there any emerging trends, notable court rulings, or hot topics in the law of trademark infringement or dilution in your jurisdiction?

Not applicable.

LAW STATED DATE

Correct on

Give the date on which the information above is accurate.

1 November 2019.