



Study Question

Submission date: June 12, 2017

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Bad faith trademarks

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I. Current law and practice

Bad faith - prior third party use or filing

1 Does your Group's current law provide for an action against the application or registration for a trademark in a jurisdiction by a party (Party A), if that trademark or a similar sign is already used in one or more jurisdictions by another party (Party B), but is not registered in the jurisdiction where Party A has filed the trademark?

If yes, please answer questions 2) – 7). If no, please go to question 8).

Yes

Please Explain

Yes, under certain circumstances.

2 Is the application or registration as described under question 1) above denoted as "bad faith"? If not, what is it called?

Yes

Please Explain

Yes. The Trade Marks Ordinance (New Version), 5732-1972 ("the Ordinance") and case law refer to such applications or registrations as marks that were filed and/or registered and/or used in bad faith (Sections 29, 38, 39(a1) and Section 41 of the Ordinance).

In addition, depending on the specific circumstances of the case, the Ordinance and case law may refer to them as follows:

If Party B's mark is not registered where Party A has filed the mark :

- Marks that "encourage unfair trade competition" (Section 11(6) of the Ordinance) and/or;
- Marks that are "identical to, or misleadingly similar with, a well-known trade mark even if the mark is not registered in respect of goods for which the mark is well known or in respect of goods of the same description" (Section 11(13) of the Ordinance).

If Party B's mark is registered for different goods where Party A has filed the mark :

- Marks that "encourage unfair trade competition" (Section 11(6) of the Ordinance) and/or;
- A mark identical to or similar to a well-known trade mark being a registered trade mark, even in respect of goods not of the same class, if the mark sought to be registered might indicate a connection between the goods in respect of which the mark is sought and the registered proprietor of the trade mark, and the registered proprietor of the trade mark might be harmed as a result of using the mark sought (Section 11(14) of the Ordinance).

Furthermore, in exceptional circumstances such marks were regarded by case law as marks actually or potentially injurious to the public policy or morality (Section 11(5) of the Ordinance). Such ground has at times been invoked alongside relative refusal grounds such as confusing similarity to another's mark.

3 Are the following factors relevant for proving an application or registration as described under question 1) in your jurisdiction?

Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for identical goods or services

Please Explain

- o HCJ 95/68 *Mittperet Hadarom Ltd v. H.D. Lee Co.*, [1968]
- o CA 2070/90 *Chanel (Frence Societe Anonyme) v. "Silouhette" from Sokolov Street 61, Ramat Hasharon* [1990]
- o *Ga Modefine SA v. Oriel Blickstein, Opposition to the registration of mark 130226 N/X Natural Exchange* [2003]
- o *Anak Haoptika Ltd. v. NO FEAR, INC.*, Procedure under div 29 of the Trade Marks Ordinance of marks 125438 and 126755 [2003]
- o *ABRAHAM BERMAN v. GB Hasidic Clothing Ltd.*, Opposition to the registration of mark 233272 'GB Gentleman Boutique' [2013]

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for similar goods or services

Please Explain

HCJ 476/82 *Orlogad Ltd v. Registrar of Trade Marks*, [1985]

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for identical goods or services

Please Explain

- o ALA 9230/16 *AL-SHURKAH ALWATANEYA LISENAET AL-ALAMENYOM WALPROFILAT v. Extal Ltd.* [2017]
- o CA 2498/97 *Rubi Boss Ltd. v. Hugo Boss A.G.*, [1998]
- o *Telbar Pop Ltd. v. Honigman & Sons Ltd.*, Procedure under div 29 of the Trade Marks Ordinance of marks 156477, 156478, 158152, 158153, 160900, 160901 including the combination of "TNT" [2004]

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for similar goods or services

Please Explain

- *Sar-Go Investments Ltd. v. ENRICO COVERI s.r.l.*, Opposition to the registration of mark 237567 'COVERI' [2015]

- Party A intends to prevent Party B from continuing to use the earlier sign or to only allow such under certain conditions (e.g. a license)

Please Explain

- CC (TA Distr.) 2960/00 *Gianni Versace S.p.A. v. Versace 83 Ltd et al.* [2010]
- CA 227/91 *Nash (2000) Import and Marketing v. St. Ives Laboratories, Inc.* [1992]
- CA 2209/08 *Gigjesse Confezioni S.p.A. v. Wampum Ltd* [2010]
- CA 8617/01 *New Sound Company for Artistic Creation Ltd. v. Master Cassit Company Ltd.* [2003]

- the degree of legal protection enjoyed by Party B

Please Explain

- CA 6181/96 *Kardi v. Bacardi & Co. Ltd.*, [1998]
- CA 9191/03 *Vin Spirit Aktiebolag v. Absolut Shoes Ltd.*, [2004]

4 Is any one or more of the above factors sufficient on their own, or will the assessment instead always take the specific circumstances of the case into account? If one or more of those factors are sufficient on their own, please identify those factors.

Yes

Please Explain

The assessment always takes into consideration the specific circumstances of the case.

5 Which of the following factors are relevant to establishing whether there was or should have been knowledge as described under question 3) above?

Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.

- whether Party A operates in the same or a similar field of business as Party B

Please Explain

- CA 11188/03 *Kontakt Linsen Israel Ltd v. Registrar of Trade Marks* [2005]

- whether the earlier sign is well known or enjoys a reputation

Please Explain

- CA 2498/97 *Rubi Boss Ltd. v. Hugo Boss A.G.*, [1998]
- CA 6181/96 *Kardi v. Bacardi & Co. Ltd.*, [1998]
- HCJ 476/82 *Orlogad Ltd v. Registrar of Trade Marks*, [1985]

- CA 2070/90 *Chanel (Frence Societe Anonyme) v. "Silouhette" from Sokolov Street 61, Ramat Hashar on* [1990]

- whether there have been formal or informal dealings or contact between Party A and B (such as an agreement, written communication etc.)

Please Explain

- CA 8778/04 *Yotveta Dairies Ltd v. Tnuva Cooperative Center* [2007]
- *Telbar Pop Ltd. v. Honigman & Sons Ltd.*, Procedure under div 29 of the Trade Marks Ordinance of marks 156477, 156478, 158152, 158153, 160900, 160901 including the combination of "TNT" [2004]

- other

Please Explain

Degree of similarity between logos and designs and the adoption of a foreign language other than Hebrew for a product primarily intended for the local market may be relevant factors in establishing bad faith.

CA 2498/97 *Rubi Boss Ltd. v. Hugo Boss A.G.*, [1998]; *Anak Haoptika Ltd. v. NO FEAR, INC.*, Procedure under div 29 of the Trade Marks Ordinance of marks 125438 and 126755 [2003].

6

Is the degree of similarity between the signs relevant? Please explain why in either case.

Yes

Please Explain

The similarity between marks is one of the factors checked when assessing adoption of a mark in bad faith [CA 2498/97 *Rubi Boss Ltd v. Hugo Boss A.G.* [1998].

The visual and phonetic similarity between marks in their entirety has been held to be the central test in the assessment of confusing similarity [CA 5454/02 *Taam Teva (1988) Tivoli Ltd v. Ambrosia Supherb Ltd.* [2003].

However, protection of a mark varies depending on how distinctive it is. Where the mark or its component is descriptive or generic, slight variation may suffice to overcome confusing similarity [CA 4322/09 S.A. *Ferromat Trade and Services (1994) Ltd. vs. A.S. Snir Ltd.* [2009].

7

Is the degree of similarity between the goods/services relevant? Please explain why in either case.

Yes

Please Explain

The similarity between the goods and services is relevant when assessing adoption of a mark in bad faith. The more the goods/services are similar, the less likely it is that party A's mark was chosen in good faith.

However, as Party B's trademark is not registered, the protection of its trademark, even if determined that it is well known in Israel, is restricted to identical goods or goods of the same description.

Had Party B's trademark been registered and well known in Israel, its protection would also cover goods of different descriptions.

Repeat filings

8 Can the filing of a trademark in your Group's jurisdiction by a trademark owner for a trademark identical or similar to a trademark it already owns in that jurisdiction be refused or cancelled on the ground that the previous trademark fails to meet applicable genuine use requirements?

If yes, please answer questions 9) -11). If no, please go to question 12).

Yes

Please Explain

It may be initially refused, but the refusal may be overcome by restricting the list of goods/services of the existing registration and/or the new application so as to differentiate them, or by cancelling the existing registration (upon receipt of the refusal to the pending application), or by undertaking to cancel the existing registration 5 years after the new application matures to registration.

9 Is the application or registration as described under question 8) above denoted as "bad faith"? If not, what is it called?

No

It is called...

An error on the Trademark Register. The Trademark Registrar is responsible for preventing and amending errors on the Register, and generally for maintaining the purity of the Trademark Register. Request for cancellation of Acceptance of *Apps. Nos. 227640 and 22764* (*TKS sa vs. Gilmar SpA*); Official Working Guidelines of the TMO

10 Which of the following factors are relevant when assessing whether a trademark as described under question 8) should be refused or cancelled?

Please tick or fill in all boxes as applicable to your jurisdiction. If you select "other", please describe further.

- the degree of overlap between the goods/services

Please Explain

- whether or not the signs are identical

Please Explain

- absence or presence of intent to use

Please Explain

- other intentions (e.g. the filing of an updated version of a trademark to meet evolving market requirements)

Please Explain

11 Are the answers to questions 8) -10) above different if the previous trademark is no longer in force? Please explain.

Yes. If the previous mark is no longer in force, there is not a situation of double registration.

Defensive marks

12 Is it permissible under your Group's current law to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed? If not, is there a timeframe (and if so, what) for such intention to use (e.g. must the intent be to start use immediately)?

If yes, please answer question 13). If no, please go to question 14).

Yes

Please Explain

Section 41 (c) (1) of the Ordinance provides that removal of a registration may be applied for, in respect of all goods or classes of goods for which the mark is registered or in respect of part thereof, on the ground that there was no *bona fide* intention to use the trade mark in connection with the goods in respect of which cancellation of registration is requested and that there has been in fact no *bona fide* use of the trade mark in connection with the goods in respect of which cancellation of registration is requested or that there had not been any such use during the three years preceding the application for cancellation.

13 Is the application or registration as described under question 12) above denoted as "bad faith"? If not, what is it called?

Yes

Please Explain

Other

14 Does any other conduct in respect of trademarks, as an independent ground for action, amount to bad faith ¹⁶ under your Group's current law? If so, what conduct and how is it denoted, ie as "bad faith" or something else?

¹⁶ Including fraud within the context of this Study Question, as explained on p. 1 at paragraph 5.

An attempt to obtain trademark protection for purely functional or purely aesthetic embodiments that are protectable by a patent or a design, is in fact trying to obtain an unjustified monopoly unlimited in duration, and thus constitutes filing in bad faith.

MCM (Tel Aviv-Yaffo District) 16540/06 *Koninklijke Philips Electronics N.V. v. Sarig Electronic Ltd* [2006]

Even if a party adopts a trademark in good faith, bad faith at the time of filing may be concluded from its conduct after filing. In situations of rival applications, if a party starts to use a mark extensively after filing in order to appropriate the rival's goodwill and try obtain better rights *vis-à-vis* the rival.

CA 8987/05 *Malchi v. Soap Like the Old Times (2000) Ltd.* [2007]

Bad faith at the time of filing may be concluded from the applicant's conduct after filing, e.g., if he attempts to free-ride on another mark's goodwill after filing the mark.

CC (TA Distr.) 2960/00 *Gianni Versace S.p.A. v. Versace 83 Ltd et al.* [2010]

Type of proceedings

15 In which proceedings can the grounds, insofar as they are available under your Group's current law, described in your response to questions 1), 8), 12) and 14) above be invoked in your jurisdiction?

Please tick or fill in all boxes as applicable to your jurisdiction. If you select either of the last two boxes, please describe further.

- ex officio by the trademark/IP office

Please Explain

- opposition proceedings (before the trademark/IP office)

Please Explain

- a cancellation action (before the trademark/IP office)

Please Explain

- court proceedings concerning a bad faith application

Please Explain

- court proceedings concerning a bad faith registration

Please Explain

II. Policy considerations and proposals for improvements of your current law

6.a

Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against the application or registration of a trademark in a jurisdiction by a Party A, if that trademark or a similar sign is already used in one or more jurisdictions by a Party B, but is not registered in the jurisdiction where Party A has filed the trademark

Please tick or fill in only the applicable box. If you select "yes", please explain.

No

Please Explain

6.b

Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against or refusing the refiling of a trademark by a trademark owner as described above under question 8) above

Please tick or fill in only the applicable box. If you select "yes", please explain.

No

Please Explain

6.c

Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against or refusing the filing of a trademark by a trademark owner without an intent to use such for part or all of the goods/services claimed as described above under question 12) above.

Please tick or fill in only the applicable box. If you select "yes", please explain.

No

Please Explain

6.d

Could any of the following aspects of your Group's current law be improved?

The possibility of taking action against other conduct as described in your response to question 14) above.

Please tick or fill in only the applicable box. If you select "yes", please explain.

No

Please Explain

Each case and its specific circumstances.

17 Are there any other policy considerations and/or proposals for improvement to your current law falling within the scope of this Study Question?

The extensive use of a trademark by a trademark registrant in a generic manner while maintaining registered trademark rights should be considered use in bad faith by the applicant and constitute a ground for cancellation of a registered mark.

Proposals for harmonisation

18 Does your Group consider that harmonisation in any or all of the four areas described in question 16) above is desirable?

If yes, please respond to the following questions without regard to your Group's current law.

Even if no, please address the following questions to the extent your Group considers your Group's current law could be improved.

Yes

Please Explain

Yes, to the extent it is possible.

19 Does your Group consider there should be a harmonised definition of bad faith?

Please tick or fill in only the applicable box. If you have different reasons for selecting "no" or "yes" to those identified, please explain.

No; identifying circumstances that can be relevant in assessing whether the types of conduct identified above under question 16) are allowed can be helpful, but a definition as such does not allow sufficient flexibility

Please Explain

Bad faith - third party use or filing

20 Should it be possible to take action against the application or registration for a trademark in a jurisdiction by a Party A, if that trademark or a similar sign is already used in one or more jurisdictions by a Party B, but is not registered in the jurisdiction where Party A has filed the trademark?

If yes, please answer questions 21) – 25). If no, please go to question 26).

Yes

Please Explain

21 Which of the following should be relevant factors for proving an application or registration as described under question 20)?

Please tick or fill in all relevant boxes. If you select "other", please describe further.

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign abroad for similar goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for identical goods or services

Please Explain

- Party A knows, or should reasonably be aware, of use of an identical or similar sign in the same jurisdiction for similar goods or services

Please Explain

- Party A intends to prevent Party B from continuing to use the earlier sign or to only allow such under certain conditions (e.g. a license)

Please Explain

- the degree of legal protection enjoyed by Party B's sign and the sign used by party A

Please Explain

22 Should any one or more of the above factors be sufficient on their own, or should the assessment instead always take the specific circumstances of the case into account? If one or more factors should be sufficient on their own, which should they be?

No. The assessment always needs to take into consideration the specific circumstances of each case.

23 Which of the following should be relevant when establishing whether there was or should have been knowledge as described above under question 21) above?

Please tick or fill in all relevant boxes. If you select "other", please describe further.

- whether Party A operates in the same or a similar field of business as Party B

Please Explain

- whether the earlier sign is well known or enjoys a reputation

Please Explain

- whether there have been formal or informal dealings or contact between Party A and B (such as an agreement, written communication etc.)

Please Explain

24 Should the degree of similarity between the signs be relevant? Please explain why or why not.

Yes

Please Explain

See answer 6 above.

25 Should the degree of similarity between the goods/services be relevant? Please explain why or why not.

Yes

Please Explain

See answer 7 above.

Repeat filings

26 Should it be possible to refuse or cancel the filing by a trademark owner of a trademark identical or similar to a trademark it already owns in your Group's jurisdiction on the grounds that it fails to meet applicable genuine use requirements?

If yes, please answer questions 27) – 28). If no, please go to question 29).

Yes

Please Explain

When strictly identical marks for completely identical goods are concerned, unless there are justifiable reasons for the refiling.

27 Which of the following factors should be relevant when assessing whether a trademark as described under question 26) above should be refused or cancelled?

Please tick or fill in all relevant boxes. If you select "other", please describe further.

- the degree of overlap between the goods/services

Please Explain

- whether or not the signs are identical

Please Explain

- absence or presence of intent to use

Please Explain

- other intentions (e.g. the filing of an updated version of a trademark to meet evolving market requirements)

Please Explain

- number of goods/services

Please Explain

28 Should the answers to questions 26) - 27) above be different if the previous trademark is no longer in force? if so, how?

Yes. If the previous mark is no longer in force, there is not a situation of double registration.

Defensive marks

29 Should it be permissible to file a trademark if the trademark owner does not have any intent to use that trademark for part or all of the goods/services claimed? If not, should there be a timeframe (and if so, what) for such intention to use (e.g. must the intent be to start use immediately)? Please explain.

No. There must be an intent to use in order to keep the registry clean from defensive marks. It is reasonable to provide a grace period from the date of registration. We propose to extend the grace period in the Israeli Trademark Ordinance from 3 years to 5 years.

Other

30 Should any other conduct in respect of trademarks, as an independent ground for action, amount to bad faith ¹⁷? If yes, please explain.

¹⁷ Including fraud within the context of this Study Question, as explained on p. 1 under paragraph 5 above.

The extensive use of a trademark by an applicant in a generic manner while maintaining registered trademark rights should be considered use in bad faith by the applicant and constitute a ground for cancellation of a registered mark.

Type of proceedings

31 In which proceedings should it be possible to invoke the grounds described in your response to questions 20), 26), 29) and 30) above, insofar as they should be grounds for action in your view?

Please tick or fill in all boxes. If you select either of the last two boxes, please describe further

- ex officio by the trademark/IP office

Please Explain

- opposition proceedings (before the trademark/IP office)

Please Explain

- a cancellation action (before the trademark/IP office)

Please Explain

- court proceedings concerning a bad faith application

Please Explain

- court proceedings concerning a bad faith registration

Please Explain

Other

32 Please comment on any additional issues concerning bad faith (or equivalent concepts) in the context of trademark law you consider relevant to this Study Question.

See answer 30 above.

Please indicate which industry sector views are included in part "III. Proposals of harmonization" on this form:

Please enter the name of your nominee for Study Committee representative for this Question (see Rule 12.8, Regulations of AIPPI). Study Committee leadership is chosen from amongst the nominated Study Committee representatives. Thus, persons not nominated as a Study Committee representative cannot be in the Study Committee leadership.
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