

Contributing firm
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Selection, clearance and registration

Before filing trademark applications, it is recommended that applicants conduct a clearance search to verify the availability of the proposed mark in Israel and assess the possible risk of trademark infringement.

If the applicant wishes to search for common law marks in order to avoid other possible risks based on unregistered marks, this will involve an investigation of the actual products in the Israeli market and, in particular, a search of relevant websites and databases.

Israel has now joined the Madrid Protocol and from September 2010 it is possible for foreign pharmaceutical companies to file international applications designating Israel, instead of filing an Israeli national application. The appropriate filing strategy should be decided on the merits of each case.

Multi-class applications and specifications of goods

Another consequence of Israel joining the Madrid Protocol is that from September 2010, multi-class applications are allowed.

Broad specifications of goods in Class 05 are not acceptable to the Trademark Office. In principle, it is necessary to limit the goods to the key ingredient of the intended pharmaceutical preparation or restrict the list of goods according to the intended treatment.

Broad lists of goods in Class 05 may be accepted in Israel only if:

- the mark is intended to be used as the applicant's house mark;
- the mark is intended for a complete line of pharmaceuticals; or
- the intended pharmaceuticals are still being developed and therefore cannot yet be specified.

Upon the submission of an affidavit by the applicant stating that the intended pharmaceuticals are still in the process of development, a broad list of goods may be

accepted, provided that the goods are then specified within five years of the filing date.

Non-traditional marks

The definition of a 'mark' in the Trademark Ordinance 1972 includes three-dimensional (3D) marks. A pharmaceutical company may wish to register the shape of a capsule, the packaging of a medicine or a bottle of medicine as a 3D mark. However, the Trademark Office's policy is very strict and the office tends to refuse the registration of most 3D trademark applications filed. The registrar is of the opinion that most 3D marks lack distinctive character and are used not as trademarks, but rather as a means of bearing the brand name.

The Supreme Court has dealt with at least two appeals in this matter and ruled that 3D marks may be eligible for registration if the applicant can establish that:

- the 3D mark is used as a trademark to identify the origin of the goods; and
- the mark has acquired a distinctive character in Israel.

From the registrar's decisions in this

regard, it is clear that proving such acquired distinctiveness will require the submission of substantial evidence (mere submission of sales figures and examples of advertisements may not be sufficient).

The Supreme Court has extended the above two cumulative conditions and ruled that the registration of 3D marks on the basis of acquired distinctiveness is allowed only if the mark does not possess an aesthetic and functional value. In any event, each case will be examined on its merits.

The registration of marks consisting of a specific sound/tune is possible in Israel.

Other non-traditional trademarks, such as motion, taste, touch and smell, are currently not allowed in Israel. While colour marks are often allowed, a mark consisting of only a colour scheme may be registered only if the applicant can establish that it has acquired distinctive character.

Slogans

Slogans are considered inherently non-distinctive by the Trademark Office and it is therefore difficult to obtain registration for a slogan. If a pharmaceutical company is interested in registering a slogan as a trademark, it must prove that:

- the slogan has acquired distinctive character in Israel; and
- the slogan *per se* is viewed by the public as denoting the pharmaceutical's origin.

These facts may be proved by submitting a consumer survey.

Recently, the Trademark Office has tightened its policy, indicating that only inherently distinctive slogans may be registered. In the authors' opinion, this recent local practice is not an appropriate interpretation of the ordinance and it remains to be seen whether the Supreme Court will approve it in possible appeal proceedings.

Parallel imports and repackaging

The Supreme Court has ruled that the parallel import of original goods may not constitute trademark infringement and therefore it is almost impossible to prevent such imports based on trademark registrations. The court ruled that as long as the imported goods originate from the trademark owner, they are genuine and may not be considered infringing simply because they are imported through different channels.

Therefore, in order to try to prevent parallel imports, rights holders must seek other causes of action based on other laws from the field of contracts, torts and

consumer protection. Under certain circumstances, the parallel import may constitute a tort of inducement of breach of contract or misleading of consumers, which may breach the Consumer Protection Act. However, past experience shows that such circumstances can rarely be proved.

In this context, pharmaceutical companies are advised to mark their pharmaceuticals (whether by codes or other attached devices on the products or their packaging, hidden or visible) to enable the quick authentication, detection and location of their pharmaceuticals and further to execute strict manufacturing and distribution agreements, including jurisdictional restrictions. Such contractual measures may help to establish a cause of action against parallel imports, as described above.

A decade ago, Israel amended its law to permit the parallel import of pharmaceutical preparations. Such imports are now allowed under the Pharmacists Ordinance 1981, under the strict supervision of the Ministry of Health. In order to obtain the appropriate permit, the parallel importer must meet specific and strict requirements stipulated by the Pharmacists Regulations (Preparations) 1986 – mainly that the pharmaceuticals were shipped to Israel by authorised companies from recognised countries and were stored properly in such countries.

To the best of the authors' knowledge, at present the parallel import of pharmaceutical preparations has not developed in Israel for commercial reasons. It is therefore unsurprising that there have been no known attempts to prevent such imports. In contrast to other fields, no case law has developed regarding this particular issue.

With regard to repackaging, the Pharmacists Ordinance provides that drugs should be sold in their original packaging. No repackaging is allowed where the packaging is in direct contact with the drug. Repackaging of drugs may be allowed only in the case of the outer packaging ('secondary packaging'), which is not in direct contact with the drug. This may be carried out only under the strict supervision of the Ministry of Health.

Anti-counterfeiting and enforcement

Civil proceedings

The use of a trademark that is identical or misleadingly similar to a registered trademark may constitute trademark infringement under the Trademark

Ordinance. Israeli law also recognises unregistered trademark rights, which may be secured in the case of a well-known mark or under the tort of passing off. Other causes of action against such use may be based on:

- the Commercial Torts Act;
- the Law of Unjust Enrichment;
- the Consumer Protection Act; and
- the Merchandise Marks Ordinance.

The civil remedies available to enforce trademark rights include injunctive relief and damages. The courts are also authorised to order the destruction of assets resulting from infringement or which were used to perform the infringement. The most effective remedy to stop an infringement is an interim injunction, which may be sought by a plaintiff. An application for an interim injunction may be submitted together with the main lawsuit for the permanent injunction. Such applications are decided on a *prima facie* basis and subject to the balance of convenience, to be weighed by the court. The plaintiff may also apply *ex parte* for a search and seizure order, which is used in cases of counterfeited and pirated products and may enable the plaintiff to seize goods and documents as evidence and prevent the infringer from flooding the market with counterfeit products.

Criminal proceedings

Trademark infringement and counterfeiting activities may also constitute criminal offences under the Trademark Ordinance and the Merchandise Marks Ordinance. Criminal proceedings are possible and may be initiated by the owner of the registration by way of a private criminal complaint. However, in order to succeed in such a procedure, the complainant must prove beyond any reasonable doubt that the accused person infringed the trademark knowingly. Sometimes the claimant encounters difficulties in establishing this high standard of proof. Another disadvantage in criminal proceedings initiated privately by the rights holder is the fact that the punishments prescribed by law are imprisonment or fines to be paid to the state of Israel; no damages are awarded to the claimant. On the other hand, the findings and conclusions of a final verdict in a criminal case convicting the defendant are acceptable as *prima facie* evidence in a civil case if the convicted person is a party to the civil proceedings.

Counterfeiting activities in the field of

pharmaceutical preparations are viewed severely by the courts, due to the potential risk to public health. Recently, persons convicted of importing and distributing counterfeit drugs under the names Viagra and Cialis were given relatively harsh punishments, due to the health risk posed by these activities.

Customs proceedings

Whether due to a notice submitted to Customs by the rights holder or due to random inspections of shipments performed on a regular basis by Customs, Section 200(a) of the Customs Ordinance authorises Customs to hold imported goods which *prima facie* constitute an infringement of registered trademark rights (these provisions also apply to copyright infringement).

Customs notifies the rights holder of the detention of goods and that it has three working days in which to deposit a bank guarantee fixed by Customs. This guarantee is required in order to secure any possible future damage caused to the importer by the detention should the rights holder's contentions be ruled as unfounded. The rights holder must then file a lawsuit against the importer within 10 days of this notice. These deadlines may be extended. Failure to deposit the guarantee or to file the lawsuit within these deadlines will result in Customs releasing the goods.

In some cases of small-sized shipments, Customs may initiate a short procedure, according to which the goods may be destroyed upon the submission of a written opinion stating why the goods are counterfeit. The rights holder must also undertake to join Customs as a party in any lawsuit filed by the importer in this regard and submit an unlimited undertaking to compensate the importer for any damages, should the rights holder's contentions be ruled unfounded.

In recent years, Customs has implemented these provisions extensively and infringing goods are seized on a daily basis.

Prevention

In order to prevent possible trademark infringements, pharmaceutical companies should consider a watch service for published applications in the *Trademark Journal*, which is published monthly. They may also consider conducting online investigations periodically among information directories and Google, or possibly through a private investigation agency.

Advertising

The advertising of drugs is regulated and restricted in Israel. The Pharmacists Regulations prohibit any advertising of drugs in communications media or in non-scientific or non-professional periodicals, unless approved by the Ministry of Health. These regulations further prohibit the advertising of a drug in a manner which contradicts what is recorded in the Drug Register regarding the particular drug.

Special regulations on the sale of drugs sold over the counter (OTC) provide for strict supervision by the Ministry of Health regarding:

- the conditions for advertising OTC drugs;
- the ultimate need for pre-approval; and
- the exact warnings which must appear in such advertisements.

An advertisement which includes a photograph of the OTC drug or its packaging may not need pre-approval, provided that it includes all data required by the regulations.

Comparative advertisements of OTC drugs may be approved by the Ministry of Health only after it is proved to the ministry that one drug is better than the other according to scientific research.

Generic substitution

The Pharmacists Ordinance explicitly prohibits:

- the alteration of a prescription;
- the replacement of one prescribed ingredient with another;
- the alteration of a prescribed dosage; and
- the preparation of prescribed drugs from different ingredients or quantities.

However, if the prescription does not specify an explicit brand, the pharmacist may replace the prescribed drug with its generic equivalent, provided that this has an identical active ingredient in the same dosage, strength and form.

Online issues

The use of marks that are identical or confusingly similar to a registered trademark, whether as a domain name or in any other form of use on a website, may constitute trademark infringement and the civil remedies described above are available to rights holders. In some circumstances a well-known mark may be enforced, even if it is not registered in Israel. An action may be based on the traditional tort of passing off or the tort of unfair interference (provided by the Commercial Torts Action), according

to which a trader commits a tort if it prevents or hinders unfairly the access of clients, employees or agents to the business, assets or services of another trader.

Cybersquatting of pharmaceutical trade names, trademarks or registered company names may be dealt with by the Israeli courts under the above causes of action or by the Israeli Internet Association, which regulates the registration of domain names under the country-code top-level domain '.il'.

In cases of cybersquatting, pharmaceutical companies may turn to the association's dispute resolution platform under the following conditions:

- The domain name is identical or confusingly similar to the pharmaceutical company's trademark, trade name, registered company name or legal entity registration (the tests to determine whether a domain name is confusingly similar to a registered trademark are the same as those used in infringement cases);
- The pharmaceutical company has rights in the domain name;
- The owner of the domain name has no rights in the domain name; or
- Either the application to register the domain name or the use of the domain name was made in bad faith.

The dispute resolution platform is not designed to replace available legal proceedings, but is intended to resolve issues pertaining to the registration of domain names in a quicker and less expensive way. [WTR](#)



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Nahum Gabrieli specialises in patent, trademark, copyright and design litigation. His expertise is in infringement and enforcement cases, proceedings for injunctions and restraining orders before the courts, and litigation before the registrar of trademarks and designs. Mr Gabrieli is also involved in litigating patent infringement in various fields, as well as patent opposition proceedings before the registrar. He has vast experience in advising clients on various trademark issues and has represented famous brands and large portfolios of trademarks both locally and internationally. Mr Gabrieli also represents authors in the fight against musical piracy and deals with licensing of trademarks and copyright. He graduated from Tel Aviv University's faculty of law (LLB, 1993), and was admitted to practise before the Israeli Bar in 1994. He is a member of the AIPPI, as well as the Israeli chapters of INTA, ALAI, PTMG and MARQUES.



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Abishag Levy heads the trademark department at Seligsohn Gabrieli & Co, specialising in trademark and domain name prosecution in Israel and abroad. She handles all aspects of trademark prosecution and litigation before the Israeli trademark registrar. Ms Levy provides legal counselling regarding the availability of trademarks in Israel and abroad, and the legal handling of trademark applications and office actions received from trademark offices in Israel and abroad, including the recordal of assignments, licences and changes of trademark rights. She graduated from the Hebrew University of Jerusalem with a BA in humanities (1998) and from the College of Management in Rishon Le Zion with an LLB (2005). Ms Levy was admitted to practise before the Israeli Bar in 2006 and is a member of INTA and MARQUES.