

THE  
INTELLECTUAL  
PROPERTY  
REVIEW

SIXTH EDITION

Editor  
Dominick A Conde

# THE INTELLECTUAL PROPERTY REVIEW

The Intellectual Property Review

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# PREFACE

Over the past several decades, there has been a major push to provide uniform and harmonised intellectual property coverage worldwide. To date, however, there remain significant differences and gaps in intellectual property coverage globally. As commerce increasingly becomes focused on international trade rather than individual countries, companies and clients must respond by thinking globally while also understanding the differences that remain between jurisdictions.

While jurisdictional differences can be anticipated and addressed, these differences are further magnified by the geopolitical turmoil that persists worldwide. A prime example is United Kingdom's Brexit vote, which leaves Europe's quest for a unified patent system in doubt. Another example is the election of President Donald Trump in the United States. As of the writing of this preface, President Trump has not announced his specific views on intellectual property in the United States. However, President Trump has already changed global intellectual property with his withdrawal of support for the Trans-Pacific Partnership. While this partnership would have strengthened intellectual property rights with many of the United States' trading partners in the Pacific Rim, those partners for now maintain the prior inconsistent rights with the United States and are free to forge agreements without the United States, including negotiating new relationships with China, a country that continues to strengthen and improve its intellectual property system.

To aid practitioners who are navigating this ever-changing landscape of global intellectual property, we now present the sixth edition of *The Intellectual Property Review*. In this sixth edition, we present 31 chapters that provide an overview of forms of the intellectual property coverage available in each particular jurisdiction along with an update of its most recent developments. Each chapter is written and assembled by leading practitioners in that jurisdiction. While all involved have striven to make this review both accurate and comprehensive, we must note that it is necessarily a summary and overview, and we strongly recommend that the reader seek the advice of experienced advisers for any specific intellectual property matter. Contact information for each chapter's authors is provided at the end of this review.

Finally, as we take over from the past review editor, we would like to thank Robert Baechtold for his guidance over the past five editions.

**Dominick A Conde**

Fitzpatrick, Cella, Harper & Scinto

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March 2017

# ISRAEL

*Yedidya Melchior*<sup>1</sup>

## I FORMS OF INTELLECTUAL PROPERTY PROTECTION

In recent years Israel has been described by many as the ‘Start-Up Nation’. With its rapidly growing high-tech sector and innovation-driven industries, Israel is faced with the challenge of balancing between an increasing level of protection of intellectual property and the free flow and use of information as a driving force for further development.

The protection and enforcement of IP in Israel is influenced by and aligned with the many international treaties and agreements in the field of IP which the country is party to, including (*inter alia*):

- a* the Berne Convention for the Protection of Literary and Artistic Works;
- b* the Paris Convention for the Protection of Industrial Property;
- c* the Patent Cooperation Treaty;
- d* the Madrid Protocol;
- e* the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks;
- f* the Agreement on Trade-Related Aspects of IP Rights (TRIPS);
- g* the International Convention for the Protection of New Varieties of Plants (UPOV);
- h* the WIPO Convention; and
- i* the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration.

Many modern Israeli IP laws implement Israel’s obligations as a contracting party pursuant to the forgoing treaties and as part of Israel’s admission into the Organisation for Economic Co-operation and Development (OECD), while others codify unique solutions adopted in Israel. As discussed below, Israel provides statutory protection to all major types of intellectual property. These rights granted by statutes have in large part been broadly interpreted by Israeli courts, and some additional non-statutory rights have been judicially adopted.

### i Patents

The Israeli Patents Law, 5727-1967,<sup>2</sup> has been significantly amended and modernised since its original enactment 50 years ago, to meet Israel’s international obligations. Israel applies

---

1 Yedidya Melchior is a founding partner of Lapidot, Melchior, Abramovich & Co.

2 Israeli laws are designated by the year in which the original legislation was enacted (both the year according to the Jewish calendar and according to the Gregorian calendar). Later amendments do not change the numbering.

the 'first to file' doctrine,<sup>3</sup> and a patent is granted for 20 years from the date of filing the application,<sup>4</sup> with permissible extensions in specific cases.<sup>5</sup> As further discussed below, a patent may be granted in respect of a 'patentable invention'.<sup>6</sup>

Pursuant to the Patents Law, a patent owner has the exclusive rights to exploit the invention. Exploitation includes: (1) in respect of an invention that is a product – production, use, offer for sale, sale, or import for such purposes; (2) in respect of an invention that is a process – use of the process, and any of the acts in point (1) above in respect of a product directly derived from the process.

However, any act not performed on a commercial scale and that is not commercial in nature is not deemed exploitation of the invention. In addition, the patent owner may not preclude others from engaging in any experimental act in connection with the invention, the objective of which is to improve the invention or to develop another invention, or which is an effort to obtain a licence to market the product after the patent has lapsed.

The unique exploitation right is not limited to the literal wording of the patent, but also to use 'in any manner which involves the essence of the invention'.<sup>7</sup> The essence or gist of the invention is determined using both the doctrine of variants and the doctrine of equivalents.<sup>8</sup>

## ii Designs

Designs are governed by the Patents and Designs Ordinance 1926 (which is no longer applicable to patents after the Patents Law was passed in 1967) and the Designs Rules 1925. Though amended through the years, these are remnants from English legislation. As explained in Section II, *infra*, a new Designs Law has passed first reading in the Israeli parliament.

Under current legislation, a design is defined as an ornamental element of an object, manufactured by an industrial process or chemical process, that is clearly visible to the unaided eye, and that is not defined by functional considerations *per se*.<sup>9</sup> Design elements that serve a functional purpose or that were dictated by functional requirements are not protectable as registered designs.

The protection of a registered design is granted for five years commencing from the date of application, with two extension periods of five years each.

## iii Trademarks and passing off rights

The Trademarks Ordinance (New Version) 5732-1972 governs both trademarks and service marks, jointly referred to as marks.<sup>10</sup> Marks are initially registered for a 10-year period and are renewable thereafter for as long as they are in use in Israel and maintain a distinctive character. A mark may be comprised of letter, numbers and other literal elements, stylised literal elements, figurative elements and any combination of the foregoing. In rare cases, marks consisting solely of three-dimensional embodiments, colours or sounds may be approved provided that they have a distinctive character.

3 Patents Law, Article 9.

4 Patents Law, Article 52.

5 Patents Law, Articles 64A to 64P.

6 Patents Law, Article 3.

7 Patents Law, Article 49(a).

8 C.A. 345/87 *Hughes Aircraft Company v. The State of Israel et al.*, PD 44(4) 45.

9 *Patent and Design Ordinance, Article 2.*

10 Trademarks Ordinance, Article 2.

The registration of a mark confers upon its owner the exclusive use of the mark upon, and in every matter relating to, the goods or services in respect of which it is registered.<sup>11</sup> Registered marks that are well-known in the relevant sector in Israel (known as ‘famous marks’) enjoy the broadest protection and provide exclusivity even in respect of goods that are not of the same description if use of that mark would be likely to indicate a connection with the registered proprietor of the mark.

Unregistered marks enjoy a limited protection. If they are well-known, the owner of such marks enjoys exclusive use of the mark in respect of goods for which the mark is well known in Israel or goods of the same description.<sup>12</sup> Other unregistered marks can only be protected under the passing-off doctrine (also available for registered mark owners), codified in the Commercial Torts Law 5759-1999, which requires the plaintiff also to prove that the mark has acquired goodwill.

Under the doctrine of ‘exhaustion of rights’, parallel import into Israel of original goods is permitted regardless of the place of first sale. The parallel importer may make use of the manufacturer’s mark subject to not creating the impression that the activity is endorsed by the manufacturer.<sup>13</sup>

#### iv Copyrights

The Copyright Act 5768-2007 consolidated and replaced the core of copyright law into a single document. Copyright subsists in original literary, artistic, dramatic (including audiovisual and choreographic) works, musical works and sound recordings. These terms are defined broadly in the Copyright Act and also interpreted broadly by courts. Computer programs are protected as literary works. However, applied arts that fall within the definition of ‘designs’ pursuant to the Patents and Designs Ordinance are explicitly precluded from copyright protection.<sup>14</sup>

For a work to be protected, it must be original and fixed in any form. The threshold for originality is minimal and requires that its making involved some kind of original creativity. Accordingly, a compilation or database will only be protected if there was originality in the selection and arrangement of the works or of the data embodied therein.<sup>15</sup> Copyright protection lasts from the date of creation until 70 years after the death of the creator, with some exceptions such as sound recordings (recently extended to last up to 70 years from the recording) and state works (receiving a protection period of 50 years from the creation).<sup>16</sup>

Copyright does not extend to any of the following: ideas, procedures and methods of operation, mathematical concepts, facts or data and news; but it does extend to their expression.<sup>17</sup>

The default rule is that the author of a work is the first owner of copyright in the work. This rule also applies to commissioned works (also referred to as ‘work for hire’) unless

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11 Trademarks Ordinance, Article 46(a).

12 Trademarks Ordinance, Article 46A(a).

13 C.A. 7629/12 *Suissa v. Tommy Hilfiger Licensing LLC* (published in Nevo, 16 November 2014).

14 Copyright Act, Article 7.

15 Copyright Act, Article 4(b).

16 Copyright Act, Articles 38–43.

17 Copyright Act, Article 5.

otherwise agreed (expressly or impliedly) between the commissioning party and the author. However, an employer is the first owner of copyright in a work made by an employee in the course of his or her service and during the period of his or her service.<sup>18</sup>

A copyright owner enjoys exclusive rights to reproduction, publication, public performance and making available to the public (including online or as a rental), broadcasting, and creating of derivative works.

In addition, authors of certain works enjoy non-transferable moral rights during the entire period of copyright in the work. Such rights include the rights of the author to have his or her name identified with his work, and to prevent distortion, mutilation or other derogatory acts in relation to the work that would be prejudicial to the honour or reputation of the author.<sup>19</sup>

Israel does not maintain a copyright registry, and there are no formal registration or other requirements for obtaining copyright protection. However, a contract for copyright assignment or the grant of an exclusive licence therein requires a written document.<sup>20</sup>

#### **v Performers' and broadcasters' rights**

Performers' and Broadcasters' Rights are governed by the Performers and Broadcasters Rights Law 5744-1984 and its subsequent amendments. Protection for performers' rights lasts until 70 years from the end of the year in which the performance took place. Protection for broadcasters' rights lasts until 25 years from the end of the year in which the original broadcast took place.

#### **vi Trade secrets**

In addition to contractual obligations, trade secrets are also protectable under the Commercial Torts Law 5759-1999. The law defines a 'trade secret' as commercial information that is not public or that cannot readily and legally be discovered by the public, the secrecy of which grants its owner an advantage over competitors, provided that its owner takes reasonable steps to protect its secrecy.<sup>21</sup>

Use of a trade secret by a former employee is not deemed a misappropriation of the trade secret if the knowledge constituting the trade secret became part of the employee's general professional skills.<sup>22</sup>

The Commercial Torts Law explicitly permits reverse engineering.<sup>23</sup>

#### **vii Plant varieties**

The Plant Breeders' Rights Act 5733-1973 implements Israel's obligations as a member of the International Union for Protection of new Varieties of Plants. The registration is managed by the Israel Plant Breeders' Rights Council, which is a unit under the auspices of the Ministry of Agriculture and Rural Development.

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18 Copyright Act, Articles 33–36.

19 Copyright Act, Articles 45–46.

20 Copyright Act, Article 37(c).

21 Commercial Torts Law, Article 5.

22 Commercial Torts Law, Article 7.

23 Commercial Torts Law, Article 6(c).

A plant variety is eligible for protection if it is new and its basic characteristics are sufficiently uniform and stable and they are maintained even after repeated cycles of reproduction.

The protection is granted for 20 years from the date of registration. Varieties of vines, fruit trees, forest trees and any other perennial plants are given 25 years of protection from the date of registration.<sup>24</sup>

### **viii Appellations of origin and geographical indications**

Both Appellations of Origin (AO) and Geographical Indications (GI) are governed by the Appellations of Origin and Geographical Indications (Protection) Law 5725-1965, which was enacted in order to implement Israel's obligations pursuant to the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration.

Protection of an AO is subject to registration, is granted for a period of 10 years from the date of the application and is renewable thereafter. Foreign AOs are valid in Israel for as long as their registration is valid in their country of origin. GIs are protected in Israel, but no registration is required.

### **ix Integrated circuits**

The Integrated Circuits (Protection) Law 5760-1999 provides protection to the layout-design (topography) of an independently-developed original integrated circuit (including an original combination of common elements). The owner enjoys the exclusive right to copy the layout-design or part thereof, and to import, sell or otherwise distribute the layout-design or an integrated circuit in which the layout-design is incorporated.

There are no registration requirements, and the protection lasts for a period that is the shorter of 10 years from the first sale, or 15 years from the creation of the layout-design.

### **x Unjust enrichment**

The Israeli Supreme Court has held<sup>25</sup> that in certain cases in which a claim does not fit into any existing intellectual property category, but the defendant's activities using the plaintiff's work or name were clearly wrong or unfair, the gap may be filled by the doctrine of 'unjust enrichment' codified in the Unjust Enrichment Law 5739-1979.

The unjust enrichment doctrine has been most widely used to grant protection to unregistered designs, mainly in cases where obtaining the registration would take longer than the projected term of the product sales (such as fashion designs). The doctrine has also been used to block unauthorised broadcasting of sports events and to grant common law protection for unregistered marks. The introduction of the unjust enrichment doctrine into the world of IP law has caused uncertainty to the practitioners in the field, as the application is somewhat inconsistent and the definitions of the fairness aspects are vague.

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24 Plant Breeders' Rights Act, Article 38(a).

25 R.C.A. 5768/94 *A.Sh.I.R Importation Manufacture and Distribution et al. v. Forum Accessories and Consumer Product et al.*, PD 52(4) 289.

Publicity rights, also referred to as celebrity rights, were judicially created based on the unjust enrichment doctrine. The Supreme Court held that the right of publicity is an independent right, protecting the economic value of using the image, name or voice of another person without his or her authorisation.<sup>26</sup>

## II RECENT DEVELOPMENTS

In recent years, Israel has enacted or significantly revised many of its intellectual property laws. This has resulted in the admission of Israel into the OECD in 2010 and the removal of Israel from the United States Trade Representative's intellectual property watch list.

Some changes are still pending, most notably the new Designs Law passed first reading in Parliament (out of three readings) on 13 July 2015. The new Designs Law is intended to modernise the protection of designs in Israel, and will introduce significant changes such as protection of unregistered designs and typographic typefaces. The proposed law will also enable Israel to join the Hague Agreement Concerning the International Deposit of Industrial Designs. In addition, a Circular for a new Performers' and Broadcasters' Rights Law was introduced by the Ministry of Justice in 2016.

Israel, as a leading centre for research and development, attempting to further incentivise scientific innovation and export of knowledge, has recently reformed the Encouragement of Capital Investment Law 5719-1959, to provide tax benefits for companies that register their IP rights in Israel.

In recent years the Israeli Patent and Trademark Office (ILPO) has achieved international recognition, and as of 1 October 2014, the ILPO was declared an International Searching and International Preliminary Examining Authority for PCT applications filed at the USPTO.

In 2015, the ILPO Commissioner published a Circular presenting the ILPO Rules for three-dimensional trademark registrations. According to the Circular, inherent distinctiveness is insufficient grounds for registration of a three-dimensional packaging or product shape, and the applicant needs to show that: the shape serves as a mark, it has acquired distinctiveness through use, and it is not significantly aesthetic or functional.

On 21 March 2016, Israel became the 16th country to join the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled.

## III OBTAINING PROTECTION

### i Patents

A patent may be granted for a 'patentable invention', a term defined as a product or a process in any field of technology, which is novel and useful, has industrial application and involves an inventive step.<sup>27</sup>

While this is a broad definition, certain subject matters are excluded, namely methods of therapeutic treatment on the human body; and new varieties of plants or animals, other than microbiological organisms not derived from nature.<sup>28</sup> However, this subject-matter

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26 C.A. 8483/02, *Aloni Ltd v. Ariel McDonald*, PD 58(4), 314.

27 Patents Law, Article 3.

28 Patents Law, Article 7.

exemption has been narrowly interpreted, in order to allow protection of the use of a substance that was not previously used as a therapeutic substance.<sup>29</sup> Biological material is generally patentable, and, if not readily available to the public, the application may reference a deposit made in a designated institution under the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure.<sup>30</sup>

As implied by the term ‘field of technology’, non-technological developments (such as those in various fields of social sciences), as well as abstract ideas are excluded from subject matter eligibility. The foregoing distinction is also the basis for the very restrictive approach to business method patents. According to the ILPO,<sup>31</sup> business methods *per se* are not considered to be in a field of technology. Therefore only ‘hybrid’ inventions in which a business method is coupled with technological elements may fall within the scope of a patentable invention.

Computer software is typically deemed protectable under the Copyright Law, and not as a patent. According to the ILPO guidelines, the use of a computer in and of itself does not render an invention patentable. The invention is to be examined as a whole, without separating software components from hardware components, and must result in changes of physical elements, which are beyond the mere automation of a process by adding a computer.<sup>32</sup> Since the regulations are somewhat unclear, it remains to be seen how case law will develop.

An invention is deemed novel if it was not published (in Israel or abroad) prior to the application date,<sup>33</sup> including by exploitation or exhibition by the patentee, in a manner that enables a skilled person to make it according to the particulars made known in such publication. Since disclosure of the invention as part of the patent process justifies the grant of monopoly powers to the patentee, such powers should not be granted to an invention that is already publicly available.<sup>34</sup>

The disclosure of the gist of the invention is deemed to be sufficient prior publication, even if not identical to the invention for which protection is sought.<sup>35</sup> Foreign-language publications prior to the application date (including foreign patent applications), even in languages that are not understood by the patent examiner, are sufficient for determining lack of novelty.<sup>36</sup>

The requirement for an ‘inventive step’, usually referred to as the non-obviousness requirement, is defined as a step that does not, to an average skilled person, appear obvious in the light of information published before the application date.

The Supreme Court has held that the requirement for usefulness, also referred to as the utility requirement, only requires that the applicant shows a potential to the utility of the invention, without actually having to prove it,<sup>37</sup> thus allowing patent applications in early stages of the R&D process. It should be noted that gene sequences are patentable, although they may not meet the regular usefulness standard at the time of the application.<sup>38</sup>

29 C.A. 244/72 *Plantex Ltd. v. The Wellcome Foundation*, PD 27(3) 50.

30 Patents Law, Article 12(b).

31 Commissioner Decision 131,733, *ex parte* in the matter of *Eli Tamir*.

32 Commissioner Decision 190,125, *ex parte* in the matter of *Digital Layers Inc.*

33 Patents Law, Article 4, excluding publications permitted under Article 6.

34 C.A. 345/87 *Hughes Aircraft Company v. The State of Israel et al.*, PD 44(4) 45, p. 103.

35 C.A. 4867/92 *Sanitovsky v. Taaman Ltd.*, PD 50(2) 509, p. 517.

36 Commissioner Decision 123,976 *Gesser v. Compucraft Ltd.*

37 C.A. 665/84 *Sanofi Ltd. v. Unipharm Ltd.*, PD 41(4) 729.

38 Commissioner Circular MN 64 of 6 October 2008.

Except in special circumstances, such as impending infringement, in which expedited examination may be requested, there is no need to request examination, and the application is automatically assigned to the relevant examination department of the ILPO. While the initial notice, detailing the name of invention, application date and priority claimed, is published shortly after the filing, the actual examination only starts a few years after filing, with the timing varying according to the subject matter of the invention. The ILPO recently publicised a multi-year goal to reduce first examination pendency to 24 months by 2018, (compared to a 30.4 months average pendency in 2015).

The ILPO provides expedited examination for 'green technology' (i.e. technologies that assist in improving the environment), and an applicant seeking this expedited route must request it upon filing and explain the environmental benefit of the invention.

An additional expedited route is the 'Patent Prosecution Highway', which was initially based on a bilateral agreement between Israel and the United States. The Patent Prosecution Highway permits one patent office to base examination of a patent application on a favourable examination conducted by another patent office (including in respect of a PCT application). Following similar bilateral agreements with Japan, Denmark, Canada, Finland and South Korea, Israel was one of the 16 countries that established the Global Patent Prosecution Highway arrangement, which became effective on January 2014. Taking advantage of the highway route is not limited to Israeli citizens or residents, and may be utilised by applicants from other countries.

An applicant may request acceptance of an application based on a grant by an accredited foreign patent office of a corresponding application.<sup>39</sup>

The applicant may also claim priority pursuant to the Paris Convention,<sup>40</sup> or according to the PCT. The ILPO allows for an extension of the period for entering the Israeli national phase under the 'due care' standard. The Commissioner has held that when the main subject matter of the application is covered in a US provisional application (even if in less detail than in the later Israeli application), priority may be claimed according to the Paris Convention.<sup>41</sup>

Patent applications need not be in Hebrew, and may also be filed in English or Arabic. The applicant need not be the inventor, though if the applicant is other than the inventor he or she is required to state how he or she became the owner of the invention.<sup>42</sup>

The Patents Law requires the applicant to provide comprehensive information about prior art, including a list of all prior art references cited during the prosecution of corresponding applications abroad, or otherwise known to the applicant. This list must be updated by the applicant on an ongoing basis, and the examiner typically requests an update from the applicant prior to the examination.

In the course of examination, the applicant may amend the application, an action usually taken owing to rejections from the examiner. If such changes do not suffice to convince the examiner to grant the patent, or if the applicant otherwise disagrees with the rejection, the applicant may request an *ex parte* hearing in front of the Commissioner.

Once the examiner is convinced of the eligibility of the application for registration, the application will be published in the Patent Gazette, and opposition may be filed within three months of such publication. A new ILPO study found that in recent years only about

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39 Patents Law, Article 17(c).

40 Patents Law, Article 10.

41 Commissioner Decision 136,532 *G.D. Searle & Co. v. Trima Israeli Medical Products*.

42 Patents Law, Article 11(b).

1 per cent of the total number of allowed patent applications were opposed. However, the study also showed that the duration of the proceedings of the few oppositions litigated through to a final decision was on average almost six years.

If an opposition is filed, the parties litigate in front of the Commissioner or a deputy of the Commissioner, with the right of appeal to the District Court, and may further request an appeal to the Supreme Court. The Commissioner and the courts may impose costs in favour of the prevailing party.

Following registration of a patent, any party may apply for cancellation of the patent, based on similar grounds as those for opposition,<sup>43</sup> except that the party requesting the cancellation carries the burden of proof. Such an action is categorised as a 'direct attack' on the validity of the patent. It is also possible to indirectly claim the invalidity of the patent, for example as a defence in infringement proceedings.

## ii Designs

Designs are subject to registration and review by the ILPO that examines the eligibility of the applications. A design application should include, in addition to the filing form identifying the applicant, the name of the design and the claimed priority date, line drawings or photographs that show and define the article to be registered from all relevant views.

While the Designs Ordinance only requires novelty on a national level, the ILPO has held that online disclosures, particularly registrations in searchable design databases of other jurisdictions, preclude novelty.

Unlike with patent applications, the backlog of design applications is relatively short, and a first examination is generally conducted within a few months.

## iii Trademarks

Trade and service mark applications are filed with the trademarks department of the ILPO. The basic requirement for registering a trademark is that the mark is distinctive.<sup>44</sup> The Trademark Ordinance includes several categories of unregistrable marks, most significantly marks that are descriptive or that are identical or confusingly similar to trademarks of third parties. Among other exclusions are marks making use of national symbols, deceptive marks and marks making use of a person without such person's consent.

In 2010, Israel joined the Madrid Protocol, and as a result Israeli applicants may submit a single trademark application that will automatically apply to all member states. Foreign marks registered in member states also enjoy relaxed disqualification criteria when applying for similar protection in Israel.<sup>45</sup>

According to ILPO, published information, except in cases where expedited examination is requested (for example, because of third-party infringement), the waiting period for first examination is 12 to 15 months from filing.

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43 Patents Law, Article 73B.

44 Trademark Ordinance, Article 8.

45 Trademark Ordinance, Article 16.

## IV ENFORCEMENT OF RIGHTS

There are no specialised IP courts in Israel, but the courts are generally IP-friendly, and the Israeli legal system provides litigants with a wide variety of remedies. Some IP laws provide special remedies; the following are the commonly available ones.

### i Injunction

Rights owners usually seek an injunction to stop infringing activities. Temporary injunctions may be requested *ex parte* and are commonly granted when the right holder can demonstrate ownership, likelihood of finding of an infringement and unquantified harm during the period until trial. If an injunction is granted *ex parte*, a hearing with both parties will be conducted within a few days. The Supreme Court has ruled that an injunction is the primary remedy for IP infringement.<sup>46</sup>

Even if not granted *ex parte*, a hearing for the purpose of a temporary injunction will usually be held within two weeks. Most of the cases settle (except in some cases in respect of monetary damages) after the decision on the temporary injunction, as the court's decision in the interim process (either in favour of plaintiff or defendant) is a strong indicator of the overall projected outcome.

### ii Receivership and seizure order

The court may appoint an *ex parte* receiver with the authority to enter the premises of an alleged infringer and confiscate, in the defendant's presence, the infringing items, as well as the means used to produce them. This remedy is granted at a preliminary stage only if the plaintiff can demonstrate with substantial evidence that there is a high likelihood that the seizure is required in order to prevent the destruction of evidence or smuggling away of infringing goods. After full trial, if infringement is established, an order for the recovery and destruction of infringing items is typically granted.

### iii Damages

After establishing infringement at full trial (which, in contested cases will generally take more than two years), monetary remedies are available.

The plaintiff may recover actual damages computed either as losses incurred by the plaintiff (which usually requires expert accounting testimony) or the gains derived by the defendant from the infringing activity. For the computation of the defendant's profits, the court may issue, after infringement is established, a subpoena for all relevant accounting records.

Even if a plaintiff cannot show damage with sufficient particularity, he or she may be entitled to statutory damages of up to 100,000 shekels, for infringements under the Copyright Law and the Commercial Torts Law. It should be noted that multiple infringements of the same right (e.g., making many copies of a single work) do not entitle the plaintiff to receive multiple statutory damages.

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46 R.C.A. 6141/02 *ACUM v. Galey Tzahal Broadcasting et al.*, PD 57(2) 625.

#### **iv Administrative and criminal procedures**

As part of the measures against counterfeit goods, customs officials are authorised to seize and detain goods that appear to be in violation of copyright or a trademark, while giving notice to the registered agent of the right owner.<sup>47</sup>

Many intellectual property laws also include provisions criminalising certain forms of infringement. The criminal offences are enforced by an intellectual property unit of the Israeli police. In addition to criminal proceedings, police officers are authorised to confiscate goods suspected of being infringing.

A unique remedy in Israel is the ability of the IP owner to file a private criminal complaint in a magistrates' court against the alleged infringer. In such case, the court may impose similar sanctions to those imposed in a criminal proceeding conducted by the state.

## **V TRENDS AND OUTLOOK**

Israeli IP jurisprudence continues to evolve as Israel becomes a more significant player in the global market and party to a growing number of international and bilateral agreements in the field of IP.

In addition to finalising the enactment of the much-anticipated new Designs Law, the main challenges ahead are adapting IP legislation and case law to an ever-evolving digital era. Issues that must be addressed or clarified include: the liabilities and responsibilities of internet service providers in cases of online infringement, patents over software elements, limitations on anti-circumvention measures and more. In addition, there is a need to better define the scope of applying the unjust enrichment doctrine in the IP arena.

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<sup>47</sup> Customs Ordinance (New Version), Article 200A.

## ABOUT THE AUTHORS

### **YEDIDYA MELCHIOR**

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Yedidya Melchior has been member of the Israeli bar association since 2001. Yedidya obtained his LLB *magna cum laude* from the Haifa University Law Faculty along with a BA in Economics from Haifa University. Yedidya proceeded to receive his LLM *cum laude* from the Law Faculty of the Hebrew University in Jerusalem.

Yedidya is a founding partner in Lapidot, Melchior, Abramovich & Co., a commercial law firm with offices in Jerusalem and Tel Aviv. Yedidya's practice focuses on intellectual property, corporate financing, international transactions and litigation in those fields, serving both Israeli and foreign clients, with a focus on the growing high-tech sector.

Yedidya and his team handle complex transactions with significant intellectual property considerations, such as IP licensing, IP sales, joint R&D and manufacturing projects and other joint ventures, establishing distribution channels, creation of online commercial platforms, and venture capital financing. Yedidya also heads the commercial and corporate litigation department, which also handles IP-related disputes resolved in courts or through alternative dispute resolution procedures.

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