

# DESIGNS

## Israel



# Designs

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Quick reference guide enabling side-by-side comparison of local insights, including into the legal framework; registered and unregistered designs; registration and opposition procedures; enforcement; assignment and licensing; and recent trends.

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## LEGAL FRAMEWORK

### Relevant legislation

What is the relevant legislation?

Industrial designs are governed by the new Designs Law 2017, which entered into force on 7 August 2018 and replaced the old Patents and Designs Ordinance from 1924 (the ordinance still governs designs applied for before the new law's entry into force).

The following national legislation is relevant to designs filed as of 7 August 2018:

- the Designs Law 2017;
- the Designs Regulations 2019;
- the Design Regulations (Implementation of the Hague Agreement) 2019; and
- the Copyright Law 2007 (section 7).

The following national legislation is relevant to designs filed before 7 August 2018:

- the Patents and Designs Ordinance 1924;
- the Designs Regulations 1925;
- the Copyright Law 2007 (section 7); and
- the Unjust Enrichment Law 1979.

Israel is a member of the following relevant international conventions and treaties:

- the Paris Convention for the Protection of Industrial Property;
- the Hague Agreement Concerning the international Registration of Industrial Designs (Israel acceded on 3 October 2019); and
- the Agreement on Trade-Related Aspects of Intellectual Property Rights.

### Nature of system

Are design rights considered to be distinct or treated as patent rights?

Design rights are a distinct intellectual property right reserved for aesthetic works that are separate from utility inventions protectable under the Patents Law 1967.

### Agency

Which agency is responsible for registration and grant of design rights?

The Commissioner of Designs operating at the Israel Patents Office is the regulator responsible for the registration of design rights. Unregistered design rights may be recognised by a court of law.

## Overlap with other rights

### Is there any overlap between design rights and other rights?

According to the Copyright Law 2007, copyright will subsist in, among others, artistic works affixed in any form. The term 'artistic works' includes works of applied art. However, it is prescribed in the Copyright Law 2007 that copyright will not subsist in 'designs' as defined in the Designs Law 2017, unless the design is not used or is not intended for use in industrial manufacture. Nevertheless, in the Supreme Court decision in CA 1248/15 Fisher Price Inc v Davron – Import & Export Ltd (31 August 2017), it was held that original works should not be denied copyright protection merely because they appear on a product eligible for design protection.

Trademarks can be two-dimensional or three-dimensional (3D). Registering a certain design as a trademark instead of, or in addition to, registering it as a design is permitted. The general opinion of the courts is that the appropriate way to protect a 3D design of products or their packaging is by registering them as designs. According to one district court decision, an expired registered design is prima facie not eligible for registration as a trademark, since providing the possibility of registering the lapsed design as a trademark will prevent the public from using that design. Such a limitation was considered to counter the purpose for which the limited-term exclusivity by the design registration was granted.

## UNREGISTERED DESIGNS

### Protection

#### What protection and rights are there for unregistered designs?

A design may be protected as an unregistered design if it is new and of individual character, and provided that it was offered for sale or distributed to the public in Israel in a commercial manner, including online, by the design owner or on the owner's behalf, within six months of its first disclosure date to the public, in or outside of Israel.

Novelty and individual character assessment are necessary and are similar to that of registered designs.

The term of protection for an unregistered design is three years from its disclosure date.

### Use requirements

#### How much use is generally required to establish unregistered design rights?

There is no actual requirement of scope of use. The three-year term of protection of the unregistered design right starts from its first disclosure that may be a publication, distribution or offer for sale of the design product (which most likely may be a singular event).

### Exclusions

#### What exclusions apply to unregistered design rights?

Exclusions for eligibility apply and are similar to those for registered designs.

## REGISTERED DESIGNS

### Ownership

#### Who can apply for and own a design?

Registered design rights in Israel are obtained through registration at the Israel Patents Office (ILPO) for a design relating to a product or a part thereof, consisting of one or more visual features (eg, contour, colour, shape, ornamentation, texture or material) and including a set of articles, packaging, graphic symbols and screen display. Design protection does not include typeface and computer software (which are copyrightable subject matter).

A design must be novel and have individual character to be eligible for registration. Eligibility is determined by way of substantial examination at the ILPO.

A design will be considered novel if an identical design, or a design that differs only in non-essential details, has not been made available to the public before the application or priority date in or outside Israel.

When assessing individual character upon substantial examination, designs relating to any type of product – namely, not necessarily limited to the same class as the design's product – will be taken into account while considering the variety of options available to a designer designing the products in the field that the design product belongs to. Individual character is assessed in the eyes of the 'informed user', who is deemed to be a person interested in using the design product and familiar with a variety of designs existing in the field to which the product belongs.

### Scope

#### What may and may not be protected?

The following are not eligible for registered design protection (and in effect also exclude unregistered design rights):

- a design that violates public order;
- the appearance of a product or a part thereof that is dictated solely by the product's function;
- the appearance of a product or a part thereof that is intended to be connected or incorporated into another product or where the other product is incorporated therein (ie, 'must-match' features); and
- the appearance of a product or a part thereof that must be manufactured exactly in the form and dimensions in which they were produced for their function to be performed as stated (ie, 'must-fit' features).

Disclosure of a design to the public will not affect its eligibility to be protected as a registered design if it was disclosed during the 12 months preceding the product being made available to the public before the application or priority date, in or outside Israel, by the design owner or as a result of information originating with the design owner, regardless of whether the information was obtained lawfully or unlawfully.

A registered design is protected for a five-year period from its application date, which is extendable by four successive five-year periods for a total of 25 years.

### Costs

#### What are the costs involved in registration?

The filing fee for registration is currently NIS 398 for a single design product and NIS 598 for a system of designed products. Certain reductions apply for small entities.



## Grace period

### Is there a grace period for filings?

Within one year from the beginning of an unregistered design right term, an owner may opt to file for registered design right, ie, a one year grace period is effectively available.

## PROCEDURES

### Application

#### What is the application process?

To register a design, an applicant must submit an application to the Israel Patents Office (ILPO) that includes:

- the name of the design owner and an address in Israel for service of documents;
- an explanation of how the applicant came to be the owner of the design (eg, by virtue of law or assignment);
- an indication of the class and sub-class of the product;
- an ample visual description of the design; and
- confirmation of fee payment.

Priority may be claimed in accordance with the Paris Convention, provided that the Israeli application was filed within six months from the filing date of the prior application.

Alternatively, an international design registration application designating Israel will be considered as filed in Israel on the date of its registration in the international register in accordance with the Hague Agreement.

The application, including the visual description, will be published on the ILPO website shortly after its filing. Deferment of publication is applicable for a period not exceeding six months from the application filing date in Israel.

A design application must include a set of representations. The representations can be photographs, line drawings or computer-generated images, and must clearly and accurately show the design for which protection is claimed. The representations can be in black and white, greyscale or colour. There is no requirement for a specific number of views, though the representations must leave no room for any assumptions or conjectures regarding the overall appearance of the claimed design. Broken lines, blurring, blackening or lightening may be used to illustrate unclaimed portions of the design. The application may include descriptive text of the visual features of the designs, provided that these features are visible in the representations. Multiple design applications may be filed but will be divided by the ILPO into separate single design applications, either at the time of filing (subject to payment of filing fees for each design) or at the commencement of the examination process (if filing fees for each design have not been paid before). An application for a set of articles (ie, articles of the same class, where their visual characteristics differ only in non-essential details and are ordinarily offered for sale together or intended for use together) may be examined and registered as a single application. Protection of such a design is afforded to the set of articles in its entirety, as well as to its constituents.

## Examination and appeals

### How are the examination and appeals procedures conducted?

The ILPO examiner will examine whether the design included in the application is eligible for registration and complies

with both the procedural and substantive requirements (where application is based on an international Hague registration, deficiencies may relate only to substantive grounds). In the examination, the examiner may rely on documents submitted by a third party, among other things. Based on the current rate of examination, the first examination report on the application's merits is issued within four to five months. An expedited examination may be requested under certain conditions. The applicant must respond to the examination report within three months from the issue date of the examination report. Extensions are available, subject to payment of the prescribed fees.

If the design has been deemed eligible for registration, the Designs Commissioner will register it with the Registry, publish its details on the ILPO website – including its visual description – and issue a certificate of registration.

Any person adversely affected by an examiner's decision or action may appeal before the Designs Commissioner. The Commissioner's decision may be appealed before the District Court within 45 days from the decision's issuance date.

### **Opposition**

#### **What are the opposition rules?**

There are no opposition procedures, only cancellation and removal post-registration procedures are available, as discussed below.

### **Registration time frame**

#### **What are the registration time frames?**

The examination process must be concluded within 12 months from the date of the first substantive examination report.

### **Removal from register**

#### **In what instances does removal from the register occur?**

The owner of a registered design may request the Designs Commissioner to cancel or remove its own registration. Any person who is not the registered design owner may request the Commissioner to cancel the registration in the following cases:

- the design was not eligible for registration;
- the application for registration was not filed by the design owner; and
- an earlier application for registration of the same design, or of a design distinguished therefrom only in non-essential details, was pending at the time that the registered design was granted.

The Designs Commissioner's decision may be appealed before the District Court.

## **ENFORCEMENT**

### **Grounds for a claim**

#### **What are the key causes of action?**

The owner of an unregistered design has the exclusive right to prevent any person from producing for commercial use

a product that is an identical copy of the design, or a product that provides the informed user with an overall impression that is not different from the overall impression given by the design product.

Unregistered design infringement is established by the following acts:

- sale or lease (including a bid or a put-up for sale or lease) in a commercial manner;
- possession for the purpose of sale or lease; and
- commercial distribution or import into Israel other than for personal use, provided that at the time the act was performed the alleged infringer knew or should have known that the product was an infringing product.

The owner of a registered design has the exclusive right to perform any of the acts listed below with respect to the registered design and with respect to any other design creating the same overall impression on the informed user:

- production, sale or lease, including a bid or a put-up for sale or lease, of a registered design product, in a commercial manner;
- distribution on a commercial scale or import into Israel other than for personal use (excluding parallel import, which is allowed); and
- holding a registered design product for the purpose of performing any of the acts listed above.

A person exploiting a registered design, alone or through another party, after the publication date of the application for registration and without the registered design owner's permission, infringes the registered design.

### Procedures

#### What enforcement procedures are available?

The plaintiff is entitled to an injunction order in a design infringement action, unless the court finds reasons justifying refraining from issuing such an order. Also, the court may award the plaintiff compensation without proof of damages of up to 100,000 shekels. In determining such compensation, the court may take the following, among others, into consideration:

- the scope of the infringement;
- the severity of the infringement;
- the actual damages caused to the plaintiff;
- the profit estimated by the court that has been accrued by the infringer; and
- the infringer's behaviour and goodwill, as well as his or her relationship with the design owner, while taking into account the scope of available possibilities for designs in the field of the design product

### Remedies

#### What remedies are available?

The court may require the defendant to provide an account of the details of the infringement. The court may also order:

- the delivery up of the infringing products or their destruction; and
- the performance of an act with respect to means of manufacture of infringing products to prevent future infringement.

In an action due to design infringement, the infringer is not liable to pay compensation if at the time of the infringement the infringer did not know or did not have to know that rights existed in the design. However, it is presumed that the infringer knew that there were rights in the design if the design was registered or if the application to register it was published and, with respect to an unregistered design, if the design was duly marked.

A person commercially exploiting a registered design through a business, through manufacture or import of a design product identical to a registered design and without the registered design owner's permission, is liable to a fine of up to 226,000 shekels (if such infringer is a corporation, the fine will be doubled).

Under certain conditions, a registered design owner may ask the customs director to delay the release of goods that are suspected to infringe a registered design and to treat them as goods that are prohibited from import by the Customs Ordinance. Such provisions at customs do not pertain to goods imported for private use.

### **Enforcement time frame**

What are the time frames for the resolution of enforcement actions for registered and unregistered rights?

The unregistered rights are relatively new and not much track record has been accumulated. As civil matters at court go, such a matter may take anywhere between 18 to 40 months at first instance as would the enforcement of registered rights also take. In both cases, interim reliefs may be granted within several weeks or few months.

### **Recent cases**

What key cases from the past 18 months should rights holders be aware of?

In a Supreme Court decision given in April 2021 (6161/02 Ayala Plast Ltd v Potex Templates Ltd ), certain issues concerning the jurisdiction of the courts where claims under the old Designs Ordinance are brought after the entering into force of the Designs Law 2017. It was resolved that the District Court has jurisdiction over infringement claims pertaining to designs registered in the Designs Register before the entry into force of the Designs Law 2017.

The Designs Commissioner Decision of April 2021 (re application No. 66411, Cinco Spirits Group LLC ) concerned the circumstances under which the deadline for claiming priority from a foreign Paris Convention Design application may be extended under the Designs Law 2017. Once the intention to claim priority was established, although force majeure was not recognised the common standard of due diligence was applied. It is worth noting that the period in question in which the lapse of the deadline was made took place between January and February 2021, when the third covid-19 lockdown was beginning in Israel. The adjudicator recognised this to be an unusual period that indeed created confusion in many instances and institutions and contributed to the justification of grant of extension of time.

## **OWNERSHIP CHANGES AND RIGHTS TRANSFERS**

### **Assignment and licensing**

What are the rules surrounding assignment and licensing of design rights?

The designer is the first owner of the design in all but the following circumstance:

- unless otherwise agreed between the employee and employer, the employer is the first owner of a design if the design was created by an employee during employment or using the employer's resources (service design); or

- unless otherwise agreed between the parties, the person commissioning a custom-made design is the first owner of the design.

A person listed in the Registry as the owner of a registered design is considered to be the owner of the registered design unless proven otherwise. The person who first made the unregistered design available to the public, in person or through another party, in Israel or abroad, is considered to be the owner of the design unless proven otherwise.

Design rights may be assigned in whole or in part either by agreement or under law. An agreement for the assignment of design rights needs to be in writing. The assignment of rights in a registered design will have effect only between the parties to the agreement or a person who knew of the assignment, unless such assignment was duly recorded in the Registry.

## Licences of right

### Are licences of right available?

Design rights may be licensed in part or exclusively. A unique exclusive licence agreement (providing the licensee exclusive rights to use the design and preventing the owner from such use) needs to be in writing. The making of a unique exclusive licence will have effect only between the parties to the agreement or a person who knew of such licence, unless such licence was duly recorded in the Registry.

The parties to the assignment or licensing of registered designs (including pending applications for registration) may apply to register the rights or licences to reflect the rights or licences in the design.

## UPDATE AND TRENDS

### Key developments and future prospects

What were the key judicial, legislative, regulatory and policy developments of the past year in relation to the protection and enforcement of designs? What are the prospects for future developments?

The Designs Law 2017 that came into force in 2018 enabled Israel's accession to the Hague Agreement in October 2019, coming into force on 3 January 2020.

## Jurisdictions

	<b>Australia</b>	Cooper IP
	<b>Brazil</b>	Kasznar Leonardos
	<b>European Union</b>	Berggren Oy
	<b>Germany</b>	KUHNEN & WACKER Intellectual Property Law Firm
	<b>Greece</b>	Dr Helen G Papaconstantinou and Partners Law Firm
	<b>India</b>	LexOrbis
	<b>Israel</b>	Naschitz Brandes Amir
	<b>Italy</b>	GLP Intellectual Property Office