



Client Update | Intellectual Property

Trademarks and Patents

Amendments to Registering Licenses and Charges

January 2019

Dear Clients and Friends,

On December 31, 2018, the Commissioner of Patents, Designs and Trademarks published amendments to two Commissioner Circulars (the “**Circulars**”) dealing with the recordal of authorized trademark users, the recordal of charges, and the transfer of ownership of encumbered patents. The changes came into effect that same day.

Trademarks:

Amendment No. 6 to the Trademark Commissioner Circular regarding recordal of changes to the trademarks registry clearly establishes, for the first time, three types of trademark licenses (referred to in Israeli practice as a right of use) that can be recorded:

- **Sole License** – A license that grants the licensee (authorized user) the exclusive right to use the trademark, without prohibiting the licensor from doing so.
- **Exclusive License** – A license that grants the licensee the exclusive right to use the trademark, where the prohibition also applies to the licensor.
- **Non-exclusive License** – A license that grants the licensee the right to use the trademark without restricting the licensor from using the trademark or granting additional non-exclusive licenses to other licensees.

According to Amendment No. 6, the type of license granted needs to be specified in the application for recordal. Thus, when drafting trademark license agreements, especially in Hebrew, care should be taken to ensure that the classification of the license in the agreement conforms to the terminology of the amended Circular. In this context, according to Section 50 of the Israeli Trademarks Ordinance [New Version], 1972, a trademark license will not be



considered valid unless it is registered on the Trademark Registry; which is to say the use by a licensee under a trademark license that has not been registered will not inure to the benefit of the trademark owner, and the trademark may become vulnerable to cancellation due to non-use.

In addition, Amendment No. 6 provides that upon the transfer of ownership of a trademark against which a license is recorded, a copy of the confirmation of such transfer will be sent to the licensee or its representative.

Finally, according to this amendment, charges will no longer be recorded on the Trademarks Registry, but only on the Companies' Registry or the Registry of Pledges, respectively¹.

Patents:

Amendment No. 7 to the Patent Commissioner Circular clarifies that patent sub-licenses can be recorded on the Patent Register, thus recognizing the decision of Deputy Patent Commissioner Jacqueline Bracha, to which we referred in our September 11, 2015 [update](#), and which was given in response to a motion filed by our firm.

In addition, and further a legal opinion submitted by our firm to the Deputy Commissioner of Patents, Amendment No. 7 also requires confirmation from anyone wishing to assign ownership of a patent that is subject to a charge, that the underlying agreement does not forbid the transfer of the encumbered patent; a copy of the assignment request is to be sent to the creditor or to its representative.

Finally, under this amendment, it is now possible to record an additional charge on a patent or patent application. The application for recordal of the additional charge must contain confirmation that the underlying agreement does not forbid the imposition of such additional charge, and a copy of the request for recordal must be sent to the existing creditor or its representative.

Designs:

According to Amendment No. 7, charges will no longer be recorded on the Design Register, although it should be noted that the Circular does not refer to designs registered under the new Designs Law, 2017.

We emphasize that this update does not cover all the amendments to the Circulars.

¹ Although recordal of charges against trademarks on the Trademark Registry has always been a courtesy only.



Please do not hesitate to contact us with any questions or if you require any clarification regarding any of the matters above.

Sincerely,

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