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Recent Israeli judgment further bridges gap between international commerce and territorial trademarks law

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Introduction

A Tel Aviv District Court decision rendered in June 2021 has made another step towards bridging the gap between the Trademark Ordinance 1972 and the constant evolution of commerce and online marketing.

In an appeal filed against a decision of the patents and trademarks commissioner, the Tel Aviv District Court ruled that offering hotel room reservations via international platforms (eg, Booking.com, Hotels.com or Trivago) may establish use of the trademark in Israel in accordance with the Trademark Ordinance when the webpage is specifically directed to an Israeli audience.

Despite the basic territorial nature of trademarks and IP rights, recent case law worldwide has tried to adapt to the global evolution of commerce and enable trademark owners that do not operate a business locally to enforce their rights and prevent misuse of their reputation around the world.

Facts

In 2019 Altunis-Traiding Gestão E Serviços filed a motion with the patents and trademarks commissioner to cancel the trademark CIPRIANI, after the famous luxury hotel Belmond Hotel Cipriani, Venice. Altunis-Traiding argued that the mark had not been used in the past three years in accordance with section 41(a) of the Trademark Ordinance.

Patents and trademarks commissioner

The patents and trademarks commissioner established that the use of the trademark CIPRIANI on online websites that offered rooms in Belmond Hotel Cipriani, including international platforms, could be considered use of the mark in Israel. In the decision, the commissioner adopted the tests outlined in EU case law⁽¹⁾ for evaluating whether a specific online website that actively approaches consumers of a specific territory constitutes use in that territory.

The commissioner explained that the following features of Booking.com's webpage, for example, established that the use of the mark was aimed at an Israeli audience:

- its use of Hebrew;
- its use of prices in Israeli currency;
- the inclusion of the Israeli flag;
- its use of Israeli phone numbers; and
- the presentation of a slogan in Hebrew.

Thus, according to the commissioner, the use of the mark through such international platforms was considered use under the Trademark Ordinance.

Tel Aviv District Court

Altunis-Traiding appealed the decision to the Tel Aviv District Court. In its appeal, Altunis-Traiding argued, among other things, that making an online reservation for a foreign business that does not operate in Israel cannot constitute use of the mark in Israel. It argued that accepting such actions without any actual or physical business in the territory as use would cause great harm and irreparable damage to the protection of trademarks.

The Tel Aviv District Court upheld the commissioner's decision. It explained that although the question of use through third parties' websites should be investigated in more detail in future case law, in this case, Altunis-Traiding had presented no evidence to support its allegations. The Tel Aviv District Court further clarified that in today's global and constantly evolving virtual atmosphere, it is unreasonable to expect a trademark owner to upload and maintain separate websites in each country using its own language.

The Tel Aviv District Court further adopted the general outline presented by the commissioner.

Comment

This decision further bridges the gap between global commerce and national law. It will be of interest to local businesses that wish to advertise their products and protect their rights in Israel.

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Endnotes

(1) *Pammer v Reederei Karl Schlüter GmbH & Co KG*, C-585/08 and *Hotel Alpenhof GesmbH v Heller* [2010] ECR I-12527.