

Intermediate solution reached in rival applications case
Israel - Gilat, Bareket & Co, Reinhold Cohn Group
March 31 2008

Examination/Opposition
National procedures

The registrar of trademarks has issued a decision in a case involving rival applications for the registration of two groups of similar trademarks (January 28 2008).

During the course of 2002 and 2003, Monica Fintzi, the widow of a dermatologist, Dr Yoram Fintzi, and Dr Fintzi's former collaborator, Dr Marina Landau, applied for the registration of similar marks.

Monica Fintzi applied for the registration of:

- EXODERM LIFT (and design) for medical services;
- EXODERM for cosmetic treatments; and
- MY WEEKEND PEEL (and design) for cosmetic products.

Dr Landau applied for the registration of:

- EXODERM PEEL (and design) for two pharmaceutical preparations and medical services; and
- M.Y. WEEKEND PEEL (and design) for pharmaceutical preparations.

Due to the similarity between the trademarks, competition proceedings were instituted under Section 29 of the [Trademarks Ordinance 1972](#).

The parties did not dispute the fact that Dr Fintzi had:

- developed a formula for a peeling solution for problem and aged skin; and
- acquired rights in the EXODERM marks and associated goodwill in the 1980s, before meeting Dr Landau.

Dr Landau started working at Dr Fintzi's clinic in 1998 and contributed to the development of the peeling products and methods. She left the clinic in 2001, but continued to use the marks in her dermatological practice.

The factual issues in dispute were:

- the extent of the professional collaboration between Dr Landau and Dr Fintzi; and
- Dr Landau's contribution to the development of the peeling solution and the treatment method.

The legal issues were:

- whether Dr Landau had also acquired rights in the marks; and
- if so, whether the rights of one applicant had priority over the rights of the other.

Dr Landau asserted that although Dr Fintzi made prior use of the EXODERM mark, she had also acquired rights in the mark through honest concurrent use (with Dr Fintzi's knowledge) and through joint work (evidenced, among other things, by joint scientific publications, the presence of her name on product packaging and her recognition as co-inventor of the method), which resulted in co-ownership of the goodwill associated with the trademarks. Dr Landau further claimed that after her professional relationship with Dr Fintzi ended, she had continued using the EXODERM mark with Dr Fintzi's knowledge and acquiescence. Finally, Dr Landau asserted that the trademark M.Y. WEEKEND PEEL had been developed in cooperation with Dr Fintzi, and that 'M.Y.' represented the initials of each of their first names (Marina and Yoram). In light of the limited use of either mark by Dr Fintzi's widow, Dr Landau requested that the registrar allow concurrent use under Section 30 of the ordinance.

In contrast, Monica Fintzi contested the existence of a partnership between the two dermatologists and claimed that Dr Landau had not contributed to the development of the product. Further, Monica Fintzi asserted that Dr Landau could not have acquired rights in the EXODERM mark, as the rights in the solution and the treatment method (as opposed to the mark) had been acquired by her husband from a third party. Further, Monica Fintzi asserted that Dr Fintzi kept the composition of the solution secret and that the solution used by Dr Landau under the mark was different. Therefore, Monica Fintzi claimed that use of the mark was in bad faith, misled the public as to the origin of the products and misappropriated Dr Fintzi's goodwill. Further, she argued that Dr Landau's application to register EXODERM PEEL was in bad faith, as Dr Landau made no use of the mark. She also argued that Dr Landau's use of the mark lasted no more than four months. With regard to WEEKEND PEEL, Monica Fintzi claimed that only Dr Fintzi's name appeared on packaging bearing the mark and on method certificates. Both parties presented evidence in support of their arguments.

In proceedings involving rival applications under Section 29 of the ordinance, the registrar must examine the criteria set out by the Supreme Court in *Contact Linsen Israel Ltd v Registrar of Patents and Trademarks* (Civil Appeal 11188/03) - namely:

- each applicant's good faith in choosing the mark;
- use of the mark by each applicant in Israel prior to the application; and
- the filing date of each application.

With regard to EXODERM, none of the parties asserted bad faith. However, Monica Fintzi claimed that the application to register EXODERM PEEL was in bad faith, as Dr Landau made no use of the mark. The registrar held that no actual use was required and that both parties appeared to have acted on general commercial considerations, not in bad faith. Moreover, referring to the Supreme Court's decision in *Malchi v Sabon shel Paam ((2000) Ltd* (Civil Appeal 8987/05), the registrar considered that the difference in filing dates was not of decisive importance.

In order to determine the extent of use of a mark, the registrar must consider use of the mark itself, rather than use of the products bearing the mark. In light of the evidence

presented, the registrar concluded that there had been a professional cooperation between Dr Fintzi and Dr Landau for a period of three years, and that Dr Landau had also become identified as the source of the products.

However, the registrar refused to allow concurrent use under Section 30, as it was liable to create confusion among the relevant public. The registrar held that preference should be given to Dr Fintzi (and thus to his widow), as he started using the mark in the 1980s, whereas Dr Landau started using it in 1998. An additional criterion (referred to as the 'common sense criterion' or 'other circumstances of the case') also favoured Dr Fintzi.

With regard to M.Y. WEEKEND PEEL, the registrar held that bad faith and the filing date of the applications were not at issue. The registrar reiterated that there had been a professional cooperation between Dr Fintzi and Dr Landau, and that it was undisputed that products and services bearing the M.Y. WEEKEND PEEL mark were produced during their cooperation. The evidence showed that Dr Landau made more extensive use of the mark than Dr Fintzi. The registrar found that the presence of both dermatologists' initials in the mark strengthened the assumption that they had cooperated in developing the product. The registrar concluded that the extent and length of use of the mark, as well as common sense and special circumstances, favoured Dr Landau.

The registrar noted that his decision conformed with the position of the Supreme Court in *Sabon shel Paam*. In that case, the court held that binary decisions (whereby one party's gain or loss is exactly balanced by the losses or gains of the other party) are not desirable and suggested that the losing party should be compensated. In the present case, the registrar held that his decision provided an equitable solution as both parties had valid claims.

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