

Stay of cancellation of VERSACE marks denied
Israel - Gilat, Bareket & Co, Reinhold Cohn Group
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Cancellation
National procedures

Following his earlier precedential decision to cancel five trademarks containing the word 'Versace' owned by Israeli fashion retailer Versace 83 Ltd, the registrar has refused to stay his decision pending Versace 83's appeal to the Supreme Court (motion to stay cancellation of Registrations 60509, 60510, 60511, 60512 and 60184, July 17 2008).

Versace 83's five stylized VERSACE marks were registered in 1989. During the earlier proceedings, Italian luxury fashion house [Gianni Versace SpA](#) sought the cancellation of the marks on the grounds that the registrations were obtained in bad faith. The registrar agreed and ordered the cancellation of the marks (for further details please see "[VERSACE marks cancelled after 20 years](#)").

Following Versace 83's motion to stay the cancellation of the marks, the registrar held that, as the balance of convenience weighed strongly in favour of Versace and against the stay of his decision, less weight should be given to the chances of the appeal succeeding.

In addition, the registrar rejected Versace 83's contention that the cancellation of the marks would cause it great harm, as it would have to stop doing business and discharge its employees.

The registrar thus denied a stay of the cancellation on the following grounds:

- Because a trademark registration aims to prevent use of the mark by others, the cancellation of the VERSACE marks itself would not affect Versace 83's ability to use the marks, but would deprive Versace 83 only of the right to sue third parties during the pendency of the appeal. Cancellation need not result in the cessation of business and the discharge of employees, given the possibility of temporary or permanent re-branding.
- Should the registrations be cancelled, Versace 83 will suffer no irreparable harm. In addition, any harm suffered by Versace 83 will be compensable and less significant than the harm caused to the Italian fashion house.
- Leaving the marks on the register would cause irreparable harm to the public. Therefore, the public interest in preventing consumer deception weighed against the stay of the cancellation.

The decision of the Supreme Court on appeal is awaited with interest.

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