

Counterfeiter convicted in *Absolut Vodka Case*
Israel - Gilat, Bareket & Co, Reinhold Cohn Group
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Counterfeiting

In *The State of Israel v Yitach* (Case 1266/05, August 5 2009), the Jerusalem Magistrates Court has charged an individual suspected of counterfeiting several liquor brands - including Absolut Vodka, Johnnie Walker, Grant's, Chivas Regal, Finlandia Vodka and Jack Daniel's - with falsely marking Absolut Vodka bottles under Section 60 of the [Trademarks Ordinance 1972](#).

Section 60 of the ordinance states that the unauthorized use of a registered trademark or an imitation thereof for the same class of goods as those in respect of which the mark is registered constitutes a criminal offence. The court noted that the scope of this criminal offence is narrower than the tort of trademark infringement - this is in line with the legislative intent behind the amended statutory definition of the offence.

The court then addressed the issue of whether the refilling of original bottles bearing registered trademarks with non-genuine beverages fell within the ambit of Section 60. The court held that the only reasonable interpretation of Section 60 was that it did, as use of a registered trademark for non-genuine goods causes injury to the trademark owner and to consumers.

The court further held that the following five elements must be present for Section 60 to apply:

- the defendant has marked the goods at issue;
- such marking was for the purpose of trade;
- such marking used a registered trademark or an imitation thereof;
- such marking was not authorized by the trademark owner; and
- such marking was liable to confuse consumers.

On the facts of the case, the court was satisfied that:

- use of the registered trademarks had not been authorized by the trademark owners;
- the marking was for the purpose of trade; and
- the marking was liable to confuse consumers.

However, evidentiary issues arose as to whether the defendant had marked the goods with the registered trademarks or imitations thereof. The court considered at length whether the evidence in this respect was acceptable and sufficient. Notably, the court admitted the evidence provided by the brand owners' technical experts concerning the seized beverages as an acceptable exception to hearsay.

The court found that while there was a reasonable apprehension of trademark infringement with regard to most of the brands, the false marking of the goods was proven beyond reasonable doubt, as required by criminal law, only in respect of the ABSOLUTE VODKA

mark. With respect to the other marks, the court found that the evidence (which did not include the seized bottles) was insufficient to provide proof beyond reasonable doubt. The defendant was thus acquitted of all charges with regard to the other brands.

David Gilat and Sonia Shnyder, Gilat Bareket & Co, Reinhold Cohn Group, Tel Aviv
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