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Israel's new Designs Act

Israel's new Designs Act came into force on 7 August 2018. What are the main changes vis-à-vis the previous statute? Here is what you need to know:

The new Designs Act, 5777-2017 (hereinafter: "the Act") is the outcome of an effort to enact a new modern statute dealing with design protection under Israeli law. When it came into force on 7 August 2018 (hereinafter: "the Effective Date") it replaced the old Patents and Design Ordinance (hereinafter: "the Ordinance") with respect to design rights. The new Act brings about some important changes to both substantive rights and procedural matters. The focus of this update will be the former. In this update we will review the main substantive changes made by the new Act compared to the old Ordinance.

What are the key substantive changes made by the new Act compared to the old Ordinance?

While the basic treatment of designs and basic concepts remain the same as they were in the old Ordinance, there are several noteworthy changes. The key changes compared to the old Ordinance is the extension of the protection period for registered designs, the introduction of a grace period for registering a design that was revealed in public and certain protections to unregistered designs. The new Act now also expressly recognizes the possibility of design protection for graphic user interfaces and digital icons. Employers' rights in designs created by their employees were also formally recognized.

What is the extended protection period for registered designs under the new Act?

Under the old Ordinance, registered designs enjoyed a maximum protection period of 15 years (subject to renewal fees). Under the new Act the maximum protection period for registered designs will be 25 years (again subject to renewal fees). Designs subject to the old Ordinance will also enjoy an extended protection period – albeit shorter (18 years total – see below).

What is the "grace period" and under what circumstances does it apply?

If a design is published before an application for its registration is filed, it would still be possible to file an application for the registration the said design and the earlier publication would not affect its eligibility for registration – provided that the application for its registration was filed within 12 months of the date of first publication. Under the old Ordinance there was no grace period and any publication prior to the filing of an application to register the design would render it unregistrable.

What type of protection is afforded to unregistered designs under the new Act?

Under the old Ordinance unregistered designs were not afforded any protection (at least not as such). Under the new Act unregistered designs may still enjoy protection if they were eligible for registration (namely they were new and unique) at the date when they were first published and were put into commercial use within six months of the first publication. Such unregistered designs will be afforded protection against unauthorized use by others for a period of three years from the date of first publication.

Under which conditions can I protect a GUI under the new Act?

The new Act defines “products” – the aesthetic design of which can be the subject of design protection – as including (among others) “screen display” and “graphic symbol”. This definition means that GUIs will be protectable as designs under the new Act insofar as they may be categorized as “screen display” or as “graphic symbol”. However, it remains to be seen what will be the exact substance put into these terms by the Israeli Patent and Trademark Office and the courts.

Do I own the rights to designs created by my employees?

The old Ordinance was silent with respect to employer’s rights in designs made by their employees. The new Act now expressly provides that the employer will be the first owner of any design made by employees for the purpose of carrying out their tasks or as the result of making substantial use of the employer’s resources. This means that, under normal circumstances, employers will own all rights to designs made by their employees in the context of their employment even if there is no explicit agreement between the employer and the employees on the subject.

I already filed an application for the registration of a design in Israel before the new Act came into force – will my application be subject to the new Act?

Designs that were registered prior to the Effective Date, as well as any designs for which the applications for registration were filed prior to the Effective Date and designs which became known publically prior to the Effective Date, will continue to be subject to the old Ordinance. This means that older registered designs and applications subject to the old Ordinance will not enjoy the benefits afforded by the new Act, such as the 25-year protection period for registered designs. However, in an amendment to the old Ordinance introduced in the new Act the 15-year registration period under the old Ordinance may be extended by an additional three years (for a total of 18 years).

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