

Integrated Circuits (Protection)

Law, 5760—1999

Definitions

1. In this Law:

2.—(a) The provisions of this Law shall apply to an original layout-design

(topography) in respect of which one of the following applies:

“Integrated circuit”—a product in its final or an intermediate form, in which both of the following exist:

(1) its elements, at least one of which is an active element, and some or all of the interconnections are integrally formed in or on a layer or layers of material;

(2) the product is intended to perform an electronic function.

“Layout-design (topography)”—the three-dimensional disposition of an integrated circuit or such three-dimensional disposition prepared for the manufacture of an integrated circuit, however expressed.

“Date of creation” of layout-design (topography)—the date on which the layout-design (topography) is expressed in writing or is set in a tangible form.

“Patents Law”—the Patents Law 5727—1967¹.

Territoriality of the Law

(1) its creator, on the date of creation, is a citizen or resident of Israel; IL023EN Integrated Circuits (Protection), Law, 1999—5760 page 1/5

(2) its creator is a person or corporation with an active factory for the creation of layout-designs (topographies) or for the manufacture of integrated circuits in Israel on the date of creation.

(b) The Minister of Justice may make orders to the effect that the provisions of this Law, in whole or in part shall apply to original layout-designs (topographies) to which the provisions of sub-section (a) do not apply, if such is set out in an international treaty to which Israel is a party.

Requirement of Originality

3. A layout-design (topography) shall be considered original if one of the following conditions exists:

- (1) it is the result of its creator's independent development, and on the date of creation was not commonplace amongst creators of layout-designs (topographies) and manufacturers of integrated circuits;
- (2) it consists of a combination of elements and interconnections that are commonplace, provided that the combination taken as a whole fulfils the conditions of originality set out in paragraph (1).

First Owner of Layout-Design (Topography)

4.—(a) The creator of the layout-design (topography) shall be the first owner of the layout-design (topography).

(b) Where a layout-design (topography) is created by an employee as a result of and during the term of his employment by his employer, the employer shall be the creator of the layout-design (topography) unless otherwise provided in the contract between them.

Transfer and License

5. A contract for the transfer of rights in a layout-design (topography) or for the grant of a license to use exclusive rights in a layout-design (topography) must be documented in writing.

Substance of Exclusive Right

6. The owner of a layout-design (topography) shall have the exclusive right to do or to authorize others to do any of the acts set out below to the layout-design (topography):

- (1) to copy the layout-design (topography) or part thereof, including by incorporation into an integrated circuit;
- (2) to import, sell or otherwise distribute for commercial purposes:
 - (a) the layout-design (topography);
 - (b) an integrated circuit in which a layout-design (topography) is incorporated;
 - (c) any object containing an integrated circuit only for so long as the object contains a copy of the layout-design (topography) made in breach of paragraph (1).

Other Original Layout-Designs (Topographies)

7. The owner of a layout-design (topography) shall not have any rights in respect of:

- (1) any other original layout-design (topography) created on the basis of an analysis and evaluation of the layout-design (topography);
- (2) an identical original layout-design (topography) created independently.

Exhaustion of Rights

8. The provisions of section 6(2)(b) and (c) shall not apply to an integrated circuit sold or distributed by or with the authorization of the owner of the layout-design (topography) in Israel or outside of Israel.

Period of Protection

9.—(a) The commencement of the exclusive right in a layout-design (topography) under this Law shall be the date of creation of the layout-design (topography).

(b) The exclusive right in a layout-design (topography) shall expire on the earlier of the following dates:

- (1) at the end of ten years from the date on which the layout-design (topography) or an integrated circuit in which the layout-design (topography) is incorporated were first lawfully sold or distributed commercially in Israel or outside of Israel;
- (2) at the end of fifteen years from the date of creation of the layout-design (topography).

Infringement of Exclusive Right—Civil Wrong

10.—(a) The performance of any of the acts set out in section 6 of the Law without the authorization of the owner of the layout-design (topography) shall constitute an infringement of the exclusive right.

(b) The infringement of the exclusive right is a tort and the Civil Wrongs Ordinance [New Version] shall apply to it, subject to the provisions of this law.

Authorized Acts

11. Despite the provisions of section 10, the acts set out in paragraphs (1) through (4) below may be performed without the authorization of the owner of the layout-design (topography) and without any requirement of payment:

- (1) Any act relating to non-original parts of the layout-design (topography).
- (2) Copying for private purposes.
- (3) Copying for the purpose of evaluation, analysis, research or instruction.

(4) Creation of another original layout-design (topography) based on the analysis or evaluation or the layout-design (topography).

Unknowning Infringement

12.—(a) Where a person purchases or orders an integrated circuit or an object containing an integrated circuit without knowing and without being expected to know at the time of such purchase or order that the integrated circuit constituted an infringing copy of a layout-design (topography) protected under this Law, such person may do the acts set out in section 6(2)(b) and (c) to the layout-design (topography) and shall not be liable for infringement of the exclusive right.

(b) Despite the provisions of sub-section (a), the person doing such acts must pay reasonable royalties to the owner of the layout-design (topography) from the date of receipt of reasonable notice that the integrated circuit constitutes an infringing copy.

Limitation of Exclusive Right

13.—(a) The Patents Registrars, as defined in the Patents Law, may grant a license compelling the exploitation of the layout-design (topography). For this purpose, a layout-design (topography) will be considered an invention protected by patent, the date of creation of the layout-design (topography) shall be the date on which a patent over it is granted and the provisions of the Patents Law shall apply, *mutatis mutandis*, with the exception of section 121 of that Law.

(b) The Minister, as defined in Chapter 6 of the Patents Law, may authorize the exploitation of a layout-design (topography) for the benefit of the State, and for this purpose, the provisions of the Patents Law shall apply, *mutatis mutandis*.

Regulations

14. The Minister of Justice shall be responsible for the performance of this Law and may make regulations for its performance, with the approval of the Constitution, Law and Legislation Committee of the Knesset.

Commencement

15. This Law shall come into force on 23 Tevet 5760 (1 January 2000).

Implementation and Transitional Provisions

16. The provisions of this Law shall also apply to layout-designs (topographies) the date of creation of which fell prior to the commencement of this Law, but shall not apply to acts performed to layout-designs (topographies) prior to the commencement of this Law.