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ITALY - CASE LAW

CHANGE OF RULES OF PROCEDURE FOR IP LAW SUITS

A Constitutional Court ruling has caused the automatic abolition of the provision which made company law applicable to IP law suits.

Italy's Constitutional Court has declared unconstitutional the provision of the Italian Intellectual Property Code which made the rules of procedure previously applicable to company and financial law also applicable in court proceedings concerning industrial property rights, unfair competition, and all matters of competence of the specialised IP sections of Italian courts. The aim of the provision at issue, introduced in 2005, had been that of making IP proceedings swifter.

Publication of the Constitutional Court's decision No. 170, issued on 18



The coat of arms of Pope Clement XII tops the Constitutional Court building in Rome.

April 2007, has automatically caused the abolition of the provision held to be unconstitutional. This means that as from the moment of the abolition, new

proceedings will have to take place according to the general rules of the Code of Civil Procedure, while pending ones will need to be converted from one system to the other.

Proceedings already finalised according to the company law procedure remain valid, while it is not yet clear in which way pending proceedings will be converted according to Code of Civil Procedure rules.

Code of Civil Procedure Rules had also recently been amended in order to speed up proceedings.

EUROPEAN UNION - CASE LAW

DYSON RULING: REGISTRATION IS FOR SPECIFIC SIGNS - NOT "EXAMPLES"

The European Court of Justice has confirmed that if the subject-matter of an application for trademark registration can take on many different appearances and is, in actual fact, a mere characteristic of the product concerned, it does not constitute a registrable 'sign'.

Dyson is the manufacturer of a plastic container forming part of the bagless vacuum cleaner in which the machine. In 1996, Dyson filed an application to register in the United

ITALIAN IP
TOP TRADEMARK FIRM
MIP Awards 2007

For the second year running, SIB ranks first among Italian IP firms for trademark prosecution and contentious as well as copyright contentious according to Managing Intellectual Property Magazine's 2007 World IP Survey.

We wish to thank our clients and associates for this acknowledgement.

Kingdom a trademark described as consisting of “a transparent bin or collection chamber forming part of the external surface of a vacuum cleaner as shown in the representation.” A picture of one of the versions of the cleaner was attached to the description. The application covered goods in class 9.

The application was rejected for lack of distinctiveness. The ensuing appeal proceedings reached the High Court of England and Wales, which found that, at the time of the trademark application, consumers recognised the transparent collection chamber as an indication that they were looking at a bagless vacuum cleaner and knew, from advertising and the lack of any rival products, that bagless vacuum cleaners were manufactured by Dyson. The High Court observed, however, that by that date the transparent collection chamber had not been actively promoted as a trademark by Dyson.

The High Court was uncertain whether a mere de facto monopoly may suffice to confer a distinctive character, given the association between the product and the manufacturer, or whether it is necessary to require in addition promotion of the sign as a trademark. Proceedings were therefore stayed in order to ask the European Court of Justice (ECJ) to say, essentially, under what conditions a sign can acquire a distinctive character within the meaning of the Trademarks Directive, where, as in the present case, the trader using the sign had, before its trademark application was lodged, a de facto monopoly in the product bearing the sign.

In its decision in case C-321/03 issued on 25 January 2007, the ECJ did not answer the question on distinctiveness posed by the High Court, since it held



A Dyson vacuum cleaner.

that the trademark requested by Dyson could not be registered under EU trademark law.

The ECJ observed first of all that as stated on a number of occasions by Dyson, the application did not seek to obtain registration of a trademark in one or more shapes of a transparent collecting bin, but rather registration of a trademark in the bin itself - the shapes represented graphically on the application form being only examples of such a bin.

However, in order to be capable of constituting a trademark under EU law, the subject matter of any application must be a sign, and be capable of being represented graphically.

The ECJ found that the representations contained in the Dyson application could not be assimilated to the subject-matter of the application because, as pointed out by Dyson, they were merely examples of it. The shape, the dimensions, the presentation and composition of that subject-matter depend both on the vacuum cleaner models developed by Dyson and on technological innovations. Likewise, transparency allows for the use of various colours. **The application's subject-matter could take on many different appearances, was thus not specific and was, in actual fact, a mere characteristic of the product concerned. It did not therefore constitute a 'sign' within the meaning of EU trademark provisions.**

The ECJ's answer was therefore that according to EU trademark provisions, the subject-matter of an application for trademark registration which relates to all the conceivable shapes of a transparent bin or collection chamber forming part of the external surface of a vacuum cleaner, is not a 'sign' and consequently is not capable of constituting a trademark.

COMMUNITY TRADEMARK UPDATE

REVIEW SYSTEM TO REDUCE CTM FEES

The European Commission has announced the adoption of a review system of OHIM fees that is expected to make the Community Trademark cheaper in the short term.

Community Trademark fees shall have an annual review system of fees, aimed at ensuring a “reasonable balance” in the budget of the Office for Harmonization in the Internal Market (OHIM).

The decision to adopt the review system was announced in December by the European Commission, and confirmed at the end of May 2007 by

The European Council on Competitiveness.

As a self-funding EU agency, OHIM's budget must balance revenue and expenditure. However, due to causes such as rising Community trademark and design applications, increased productivity and growth in e-business, OHIM has been generating substantial cash reserves, which are expected to

grow further in coming years.

The Commission is therefore planning to introduce a method of regular review of Community trademark fees, to be applied in circumstances of both budget surpluses and shortages. Following a political agreement on this approach, the review system could be applied on an annual basis.

COMMUNITY TRADEMARK - CASE LAW

THE APPLICATION OF PROVISIONS ON TRADEMARKS ENJOYING A REPUTATION IN LA PERLA

The Court of First Instance has confirmed that the figurative marks “La Perla” and the word mark “Nimei La Perla Modern Classic”, all registered for products belonging to close segments of the market and including jewellery, are similar enough for the Italian public to establish the link necessary for the applicability of provisions on extended protection reserved for trademarks enjoying a reputation.

The owner of earlier Italian registrations for two figurative marks including the words “La Perla” and of a word mark “La Perla Parfums” requested the annulment of a Community trademark registration concerning the word mark “Nimei La Perla Modern Classic”. The products covered by the Community registration belonged to class 14, and were described as “Jewellery, watches; precious metals; pearls; precious stones”; the earlier marks covered products belonging to several classes and included perfumery, glasses and clothing. One of the figurative marks in particular was registered for “Jewellery and fake jewellery; watches” in class 14.

The Office for Harmonization in the Internal Market (OHIM) issued a decision upholding the request for annulment, which was subsequently struck down by the Board of Appeal.

The owner of “La Perla” and “La Perla Parfums” had brought a case before the Court of First Instance (CFI), claiming that OHIM’s Board of Appeal had erred in applying the Community Trademark Regulation’s provisions concerning likelihood of confusion -Article 8 (1) (b)- and trademarks enjoying a reputation - Article 8 (5).

The complainant argued that its trademark “La Perla” was well known, and that there was a concrete likelihood that it would be confused

with the mark “Nimei La Perla Modern Classic”, the use of which would take unfair advantage of, and be detrimental to, the earlier mark’s reputation.

In its decision of 16 May 2007 in case T-137/05, the CFI upheld the appeal and annulled the decision of OHIM’s Board of Appeal. The CFI observed

both marks the expression “la perla” was either dominant or important.

After confirming the OHIM’s finding that the products covered by the earlier mark and by the Community trademark belong to close segments of the market - costume jewellery and ladies’ clothing - the CFI held that, in circumstances such as those of the case at issue, **the similarity between the marks was sufficient for the Italian public to establish a link between the Community trademark and the earlier mark which is required for the application of Article 8 (5) of the Community Trademark Regulation, and pointed out to this regard that for the purposes of such a provision, a finding of likelihood of confusion is not necessary.**

According to the CFI, it followed that the Board of Appeal had erred in holding that the two marks were not similar enough for there to be the possibility of such a link.

It must be pointed out that the owner of the Community trademark had argued that the expression “la perla” was merely descriptive of the features of the products covered by the mark (“Jewellery, watches; precious metals; pearls; precious stones”), and as such could not be considered to be the dominant element of the mark. The CFI rejected the argument, finding that “such a circumstance does not alter the logical content of the mark at issue”.



The Court of First Instance found that the expression “la perla” is the dominant element both in the figurative earlier marks (above) and in the verbal later mark (below).

NIMEI LA PERLA MODERN CLASSIC

first of all that the finding that the earlier mark enjoyed a reputation had not been challenged, and that the two marks were similar to a certain degree: the CFI found that in the earlier mark “La Perla” the verbal elements were dominant, while the figurative elements were marginal. As for the Community trademark, the CFI considered the elements “modern” and “classic” merely descriptive and therefore marginal, and found that the element “nimei” was void of significance for the Italian public, and could not therefore be considered dominant from the logical point of view. Thus according to the CFI, in

COMMUNITY TRADEMARK - CASE LAW

POPULAR EVENT SPONSORSHIP WINS TDK EXTENDED PROTECTION

The Court of First Instance has underscored the weight that frequent and regular sponsorship of popular events can carry - coupled with market share and intensity, geographical extent and duration of use - to support the finding that a trademark enjoys a reputation.

Aktielselskabet af 21 november 2001 (hereinafter Aktielselskabet), a Danish company, filed an application to register the word mark TDK for "clothing, footwear, headgear" in Class 25. TDK Corporation filed an opposition based on a Community trademark as well as on 35 earlier national trademarks either consisting of, or including, the letters TDK, for "apparatus for recording, transmission or reproduction of sound or images" in class 9.

The Board of Appeals of the Office for Harmonisation in the Internal Market (OHIM) confirmed the Opposition Division's decision that there was no likelihood of confusion between the two marks, since the goods covered were not even remotely similar. However the opposition was upheld on the basis of Article 8 (5) of the Community Trademark Regulation, which provides extended protection for the earlier registered trademark, in spite of the dissimilarity of goods, if the mark enjoys a reputation in the geographical area in which it is registered, and if the use without due cause of the later mark would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier mark.

Aktielselskabet appealed to the Court of First Instance (CFI), claiming, in essence, that the OHIM had not sufficiently proved, for the purposes of Article 8 (5), either that the TDK earlier mark enjoyed a reputation in the geographical areas in which it is registered, or that use of the sign for

which registration was sought would take unfair advantage of, or be detrimental to, the distinctive character or repute of the TDK earlier mark.



One of the trademarks on which TDK Corporation based its opposition.

The CFI issued its decision in Case T-477/04 on 6 February 2007. **The ruling is worthy of note because it confirms that in order to assess a trademark's reputation it is not only the mark's market share and the intensity, geographical extent and duration of its use which must be considered, but also the size of the investment made by the undertaking in promoting it.**

The CFI found that the sales levels achieved by the goods bearing the TDK marks, coupled with the size,

frequency and regularity of sponsored events attracting large numbers of spectators at which the TDK marks were used, supported the finding that the mark was known by a substantial part of the public.

As for the assessment of the unfair advantage or detriment that the mark applied for would cause to the earlier mark, the CFI held that OHIM had been right in finding that if the mark applied for were to be used by the applicant on sports clothing - a possibility which cannot be ruled out - such use would lead to the perception that the clothing at issue was manufactured by, or under licence from, the applicant. That in itself, according to the CFI, constitutes evidence of a future risk of the taking of unfair advantage of the earlier marks.

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