

C L I F F O R D
C H A N C E

22ND EDITION



GLOBAL INTELLECTUAL PROPERTY NEWSLETTER
IP IN CONSUMER GOODS AND OTHER IP TOPICS
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22ND EDITION

Introduction

Welcome to the 22nd Edition of the Clifford Chance Global IP Newsletter, in which we will focus on IP-related questions in connection with **consumer goods**.

We start with an overview on the current topic of **influencer marketing** where our colleagues from the UK and Germany will analyse the different national approaches and case law regarding the legal issues that might arise in this regard.

Next, is an article about the **principle of exhaustion in the context of Brexit** and why businesses should review their supply chains.

We then present a recent ruling of the Polish Constitutional Tribunal which declared the **right to information under IP law** partly unconstitutional, including an overview of the Polish implementation of the Enforcement Directive, before turning to a ruling from the Singapore Court of Appeal regarding the question whether a **freight forwarder** could be held **liable for trade mark infringement**.

Further, we will shed some light on the possibilities to **protect shop designs under IP law** (namely as trademark, copyright, design, and with the means of unfair competition law) against counterfeit third-party shop design.

Moreover, we have an article on **selective online distribution** in Italy covering the possibility to gain damages for brand reputation in online sales. Staying in the area of brand protection, this Edition will be concluded with two interesting articles on **trademarks** and **protection of geographical indications** in Spain and Italy.

We hope you enjoy reading this latest issue of the Global IP Newsletter and look forward to receiving your feedback.

Your Global CC IP Team

LONDON/DÜSSELDORF

Leigh Smith/Noël Luecker

USING “INFLUENCERS” IN MARKETING – THE UNITED KINGDOM AND GERMAN PERSPECTIVE

A significant proportion of a brand owner’s marketing budget is now likely to be allocated to advertising through social media platforms, as opposed to more traditional above the line marketing channels. Increasingly, such advertising takes the form of the use of “influencers” to market products.

“Influencers” are individuals who have developed a large (and hopefully loyal) following of consumers on their various social media platforms. When the influencer endorses or recommends a product by way of a favourable social media post, the brand owner hopes to benefit by the endorsement or recommendation influencing followers’ purchasing decisions. In some instances, the influencer will be paid, in others merely supplied with the free products or services.

When a celebrity is used to promote a product in advertising, it is obvious to the majority of the target audience that the advertisement is in fact an advertisement. The target audience expects that the star of the advertisement has been paid, and that this forms at least part of the motivation for the star’s participation. With influencers on the other hand, the message can be more opaque. The attractions of influencer marketing are that, as well as tending to be much cheaper than a traditional endorsement and being more measurable in terms of tracking interactions with the content, it is seen as delivering a more “authentic” message. This however creates unique challenges for brand owners.

One of the fundamentals of advertising and consumer protection laws is transparency, so that a consumer can make an informed purchasing decision. Advertising watchdogs and consumer protection authorities are now closely monitoring the use of influencers to ensure that consumers can properly distinguish between editorial and advertorial content. This impacts not only the influencers themselves but the companies who use them. An adverse finding from a regulator or court is likely to have a significant impact on the brand owner. Even if the financial penalty is minimal, the reputational damage can be long lasting.

Key Issues

- Influencer marketing is seen as more “authentic”, but must still be treated like other advertising.
- Legislation/marketing codes require that adverts must be recognizable or clearly labelled as such.
- Brand Owners should monitor influencers’ compliance to avoid reputational harm.

United Kingdom

In the United Kingdom, influencer marketing is subject to both the Consumer Protection from Unfair Trading Regulations 2008 (the “**Regulations**”) and the UK Code of Non-broadcast Advertising and Direct & Promotional Marketing (“**CAP Code**”), which is published and enforced by Advertising Standards Authority (“**ASA**”). This is in addition to any specific legislative regimes where the social media posts are found to constitute advertising, for example if the influencer makes health claims about a product then Regulation (EC) No. 1924/2006 will also apply. The Regulations are enforced by the Competition and Markets Authority (“**CMA**”), but in practice the CMA will give the ASA the opportunity to deal with a complaint in the first instance.

The Regulations apply where the influencer receives any payment, which can include free products. The Regulations contain a specific prohibition on using editorial content in the media to promote a product without making it clear that the content is advertorial. There are also general prohibitions which may apply, such as omitting material information required for a consumer to make an informed transactional decision. CMA guidance warns that the fact that an incentive was received to make a post should be clear, unambiguous, and immediately available to the consumer. It warns against the reliance on hashtags such as “#sp” and “#spon”, which may not be clearly understood. It also warns against reliance on clearer hashtags such as “#ad” if the hashtag is not prominent because it is hidden amongst a long string of text or hashtags.

The CAP Code applies if payment is made (which, as with the Regulations, includes by way of free products) *and* where editorial control (see further below) is exercised by or on behalf of the brand owner. As with the Regulations, the CAP Code emphasises the need for it to be clear when content constitutes an advertisement and to avoid misleading consumers. The CAP Code also covers specific types of advertising, applying specific rules to prize draws, claims and age-restricted products. The primary sanction for an advertiser’s failure to comply with the CAP Code is adverse publicity, but the ASA has the power to refer advertisers who refuse to comply to other bodies for further enforcement action, including Trading Standards. It also has the power to ask search engines to remove paid-for search advertisements which are non-compliant.

The ASA published guidance in September 2018 to help influencers understand their responsibilities. “Editorial control” is construed broadly by the ASA. In its guidance, the ASA advises that even being required to post content a certain number of times or on specific dates could constitute control. The right to approve content is also considered editorial control (even if it is not exercised), as are general statements in contracts requiring the influencer “to promote the brand and the products in a positive light” (see *Warpaint Cosmetics (2014) Ltd t/a W7*, Ref. A18-451516). Like the CMA, the ASA warns against potentially ambiguous hashtags such as “#sp”.

Since “editorial control” is so broadly defined, it is likely that a brand owner seeking to ensure that an influencer complies with the Regulations, e.g. by an obligation to use a specific hashtag or statement to ensure that the posts were compliant, would then also be subject to the CAP Code. In the UK brand owners should therefore approach influencer agreements as if the CAP Code and the Regulations will apply. Even if no control over the content is sought, which would be unusual, control should be exercised to ensure that the influencer complies with the Regulations and CAP Code through specific requirements to identify the content as being advertorial in nature.

Germany

In Germany, where influencer advertising has been a particularly hot topic in recent months, the emphasis is also on transparency. In contrast to the UK position, the responsibility to ensure fair advertising does not vest in official authorities. German Law adopts a “horizontal market control”, in that competitors or specific consumer associations are entitled to police market participants.

The main statutory provision which provides for transparency in advertising under German Law is Sec. 5a (6) of the German Unfair Competition Act (“UCA”). This requires that the “commercial intent” of a “commercial practice” must be identifiable. In addition, Sec. 6 (1) No. 1 Telemedia Act (“TMG”) also stipulates that commercial communications must be clearly identifiable. This provision also applies to social media posts as they fall within the definition in § 2 No. 1 TMG.

The courts have stressed that a social media account should not be considered a “commercial practice” in general, as this would be contrary to Article 11 of the Charter of Fundamental Rights of the European Union. An influencer’s account is rather a hybrid between personal fulfilment and commercial interests. Consequently, a court must examine each contested post on a casebycase basis and in compliance with the UCA criteria outlined above. Regional courts dealing with “influencer cases” have generally agreed that if an influencer includes links to or tags a brand owner’s product, this may constitute a “commercial practice” under the UCA. German courts have however taken differing approaches to the assessment of the additional requirement of “commercial intent”. Some courts have stated that such commercial intent shall only be found to exist in cases where a financial compensation was paid, which includes the receipt of free products.

Once a social media post is determined to have a commercial intent, then such intention must be disclosed to the consumer. The UCA provides that in certain circumstances the activities of influencers can also be attributed to the brand owner, in particular if the influencer and the brand owner have entered into a contract and have agreed, for example, that the influencer would promote certain products. In this case, the brand owner may even be held liable for the actions of influencers even if they are not entirely aware of how the influencer will advertise the products. Brand owners should be mindful that consumer associations are currently seen to be more willing to issue warning letters in respect of non-compliant content.

Case law indicates that the marking of an advertisement by using the hashtags ‘#ad’ or ‘#sponsoredby[...]’ is insufficient by itself, at least if these hashtags are within a longer sequence of hashtags. The main reasoning for this case law is that German print media law expressly requires the inclusion of the German word “Anzeige” (which translates to “Advertising” in English). Some courts argue that this strict labelling applies also to internet advertising, and hence to influencer marketing. Under German law, the assessment of the recognisability of advertisements is directly linked to the perception of the average consumer. Therefore, the mere use of English terms such as “PR Sample” or “collaboration” is not advisable, as it cannot be expected that the average member of the German public is able to understand these terms correctly.

Conclusion

Influencer marketing presents an opportunity for brand owners to engage with consumers on a more personal level. The value, duration and scale of an influencer-led campaign should be reflected in the approach taken to the agreement with the influencer, but legal teams should be particularly vigilant around the issue of transparency. A balance needs to be struck between giving the influencer freedom to create authentic content whilst ensuring that the brand’s reputation remains protected and that legal risks are properly managed.

Brand owners also needs to factor in that an influencer is unlikely to appreciate the nuances of advertising and consumer protection law, and may require guidance to ensure compliance with applicable law. Brand owners are best placed to provide this guidance, and liable to bear the brunt of the consequences if they do not. In both the UK and Germany brand owners, both through their agreements and through their marketing teams, should provide influencers with the guidance and support necessary to comply with the applicable marketing regimes.

DÜSSELDORF

Nils Wewer

EXHAUSTION OF IP RIGHTS IN THE WAKE OF A “NO DEAL” BREXIT

While it is still unclear when or if the UK will leave the EU, businesses participating in cross-border trade are advised to take precautionary measures for a “no deal” scenario. This includes bearing in mind that the regional EEA exhaustion regime will not be reciprocal in the event of a “no deal” Brexit.

What is exhaustion?

Exhaustion occurs when a given product has been sold or otherwise marketed in a defined area either by or with the consent of an IP rightsholder. Once sold or marketed, the rightsholder cannot then prevent the further distribution of that product, unless there are legitimate reasons to oppose it.

The principle of exhaustion originated in national and international case law and is now part of many national legal systems as well as the EU and the rulings of the CJEU. Exhaustion can apply to all IP rights, such as trade marks, patents, copyrights and designs.

In European cross-border trade, this principle is applied throughout the European Economic Area (“**EEA**”). This means if goods bearing or made using IP are legitimately placed on the market anywhere in the EEA there will be EEA-wide exhaustion of the IP. The principle behind this is to strengthen the free movement of goods across the European single market.

Implications of brexit

By leaving the EU without a deal, the UK would leave the EEA and thereby the regional EEA exhaustion regime as well.

In order to provide clarity in the UK following a “no deal” Brexit, the UK Government enacted a statutory instrument (*The Intellectual Property (Exhaustion of Rights) (EU Exit) Regulations 2019* (the “**SI**”)).

The SI keeps the EEA principle of exhaustion as retained EU law in the UK. Thus, IP rights exhausted in the EEA would also be deemed exhausted in the UK. Imports to the UK could not then be prevented by the holder of IP rights exhausted in the EEA and no additional licence arrangements would be required.

However, a lack of reciprocity may emerge since – as it stands right now and without a deal stating otherwise – remaining EEA states are not obliged to acknowledge the UK exhaustion scheme. IP rights being exhausted in the UK would therefore not necessarily be considered exhausted in the EEA as well and, consequently, importing

Key Issues

- A Hard Brexit scenario may lead to a one-way exhaustion scheme lacking reciprocity.
- IP exhausted in the UK would no longer be deemed exhausted in the EEA.
- Rightsholders will be able to restrict importation of certain goods in the EEA if no license is granted for EEA jurisdictions other than the UK.

Brexit Statutory Instruments

- The SI is one of a range of statutory instruments passed under the *European Union (Withdrawal) Act 2018*.
- These are intended to come into force either in the event of a “no deal” Brexit or at the end of the transition period (currently 31 December 2020 in the *Draft Withdrawal Agreement* agreed on 14 November 2018).
- It is expected, however, that during the transition period these would be substantially renegotiated, not least because of the lack of reciprocity in the statutory instruments, as is the case here.

goods from the UK might be restricted on the basis of the IP held by the rightsholder. This would lead to a fragmentation of the European market.

Consider these two fictitious examples:

Scenario 1: Products on the market in EEA are exhausted in UK

- US-based company (**A**) holds the IP rights related to a certain technology.
- **B** is a chip manufacturer based in Munich that exclusively licenses in **A**'s IP rights. **B** markets the chips containing **A**'s technology in Germany.
- **C** is a UK manufacturer of robotic vacuum cleaners. **C**'s business relies on the chips manufactured by **B** purchased in Germany.

Scenario 2: Products on the market in UK are not exhausted in EEA

- **A** is still the US technology-holder.
- The chip manufacturer **B** is now based in London and not in Munich.
- The manufacturer of the robotic vacuum cleaners (**C**) is now a German business purchasing **B**'s chips containing **A**'s technology in the UK.

Scenario 1: Products on the market in EEA are exhausted in UK

The UK SI provides that in a “no deal” Brexit, the exhaustion system will work the same for Scenario 1 as it did whilst the UK was in the EEA. Therefore, **A** could not prevent the sale of the **B** chips from Germany to the UK as the IP rights have been exhausted.

Scenario 2: Products on the market in UK are not exhausted in EEA

Whilst the UK remains in the EEA, there will be no difference from Scenario 1. However, in the event of a “no deal” Brexit, **A** could prevent the sale of the **B** chips from the UK to Germany as there would be no recognition of the exhaustion of IP rights when goods are placed on the market in the UK. The German manufacturer **C** might face legal actions initiated by **A** based on its IP rights unless it reacts properly.

Action required

If a “no deal” Brexit occurs, businesses relying on goods imported from the UK should carefully check their supply chains and existing licence arrangements. Additional licence agreements with the IP rightsholder, whose rights would have been exhausted prior to Brexit, might become necessary. Existing supply agreements with UK entities may be amended to include indemnification wording. This could help mitigate the risk of claims brought by the rightsholder. Other alternatives not depending on imports from the UK are also worth considering.

WARSAW

Konrad Rominkiewicz / Krzysztof Hajdamowicz

THE POLISH CONSTITUTIONAL TRIBUNAL DECLARES THE RIGHT TO INFORMATION UNDER THE INDUSTRIAL PROPERTY LAW PARTLY UNCONSTITUTIONAL

On 6 December 2018, the Polish Constitutional Tribunal (the “**Tribunal**”) declared the right to information concerning infringing activities, pursuant to the Polish Industrial Property Law (the “**IPL**”), implementing Directive 2004/48/EC (the “**Enforcement Directive**”), was partly unconstitutional. The Tribunal held the provision infringed the freedom to conduct a business and the principle of proportionality referred to in the Polish Constitution. This judgment takes a deeper look at the implementation of the Enforcement Directive in Poland.

Background

Under the Enforcement Directive, EU member states must ensure that, in the context of IP infringement proceedings, the national courts have the power to order the disclosure of certain information following a justified and proportionate request from the claimant. Such information includes:

- a) the origin and distribution networks of the allegedly infringing goods or services; and
- b) the identity of any “non-infringing party” (i.e. a third party involved in the production, manufacture, distribution or provision of the allegedly infringing goods or services).

The way in which the IPL implemented the right to obtain commercially sensitive and confidential information belonging to a non-infringing party has been widely criticised by both legal scholars and various business entities. In 2015, a district court ordered Grupa Allegro sp. z o.o (“**Allegro**”), the largest e-commerce company in Poland, to provide, among other things, information on the origin and distribution of allegedly infringing goods that had been sold on Allegro’s platform by the alleged infringer. The claimant’s case was based on the alleged infringement of two of its EU trade marks.

Interestingly, the right to information under the IPL allows for claimants to make requests regardless of whether proceedings against an alleged infringer have commenced. On appeal, the Court of Appeal upheld the District Court’s decision. Allegro subsequently challenged the constitutionality of the right to information by filing a constitutional complaint.

Key Issues

- The Polish Constitutional Tribunal declares the controversial ‘right to information’, transposed in accordance with the Enforcement Directive, partly unconstitutional.
- As the effect of the judgment has not been postponed, Poland will have to re-implement the contested provision of the ‘right to information’ to comply with EU law.
- The new provisions must satisfy the proportionality test and prevent right-holders from making claims that are disproportionate to the size of the actual infringement.

Analysis

The Tribunal partly agreed with Allegro's arguments and held that the contested part of the right to information violated the Polish Constitution. The Tribunal reasoned that when implementing the Enforcement Directive, the legislator went beyond its purpose and did not balance the interests of the claimant and the non-infringing party. In the Tribunal's opinion, there were two key reasons why the right was unconstitutional.

Firstly, the Tribunal held that the right to information may lead to the irreversible disclosure of the non-infringing party's trade secrets (e.g. customer information; sales records; pricing) without any mechanism in place to protect the non-infringing party against unauthorised use of such information by the claimant. Indeed, such commercially sensitive and confidential information could be disclosed by a Court order despite:

- a) non-commencement of infringement proceedings; and
- b) only establishing that infringement was 'highly likely' (even if proceedings against the actual infringer were never initiated).

Accordingly, the Tribunal held that the right to information was not proportionate in such circumstances and that the Polish implementation of the IPL went beyond what was necessary to enforce IP rights.

Secondly, the Tribunal held that the IPL did not contain any statutory protections against any abuse of the right of information or any specific safeguards to ensure proportionality of the disclosure of confidential information in the context of the alleged infringement. Consequently, the claimant could abuse its right to obtain confidential information for its own benefit, even in cases where the claimant had only suffered minor or no damage at all.

In light of the above, the Tribunal held that the right to information under the IPL infringed the freedom to conduct business and failed the 'proportionality test'. The Tribunal concluded that despite being an adequate and necessary legal remedy, the right excessively interfered with the constitutional freedom to conduct business in Poland under the Polish Constitution.

Importantly, the Tribunal did not postpone the effects of the judgment. Consequently, Poland is currently in a state of non-compliance with EU law, requiring the implementation of new provisions in accordance with the Enforcement Directive.

What does the judgment mean for the possibility of making information claims?

The judgment limits the extent to which a claimant may rely upon its right to information under the IPL in the context of IP infringement proceedings. However, parties that are genuinely interested in protecting their IP rights should not be negatively affected by the judgment. Nevertheless, legislative changes in this respect should be monitored. Hopefully, the right to information will now be implemented in a way that provides adequate legal safeguards to all concerned parties.

SINGAPORE

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FREIGHT FORWARDERS AND COUNTERFEIT GOODS: COURT OF APPEAL REVISES NOTION OF STRICT LIABILITY FOR TRADE MARK INFRINGEMENT

The Singapore Court of Appeal recently considered an appeal brought by the trade mark proprietors of luxury brands Burberry and Louis Vuitton, who alleged that a freight forwarder was liable for trade mark infringement under Singapore's Trade Marks Act (Cap 332, 2005 Rev Ed) (the "TMA") by way of importing and/or exporting counterfeit goods.

The circumstances presented to the Court of Appeal were not unique and may commonly arise in the transshipment industry. Whilst the alleged infringer (the freight forwarder) had imported counterfeit goods by sea, it was not disputed that the freight forwarder did not know that the cargo contained counterfeit goods or even that the goods had any sign on them. Its only involvement in the transaction was to receive the cargo from one country (China) and to forward it to another country (Indonesia).

In considering the issue of trade mark infringement, it is notable that the Court of Appeal introduced the element of *intention* into an area that has been traditionally described as being one of strict liability. The Court held that for infringement to take place under section 27 of the TMA, the alleged infringing importer/exporter must have *intended* to do the act constituting the infringing use with knowledge or reason to believe that there was a sign present on the things in issue.

Background

In *Burberry Ltd v Megastar Shipping Pte Ltd* [2019] SGCA 1, the respondent, a freight forwarder which provided transshipment services in Singapore, was engaged by an Indonesian company to arrange for transshipment of two sealed containers to Batam. These goods had been shipped by Chinese companies from China to Singapore and were intended for onward shipment to Batam in Indonesia.

Key Issues

- Freight forwarders will be considered to be *importers* of goods if those goods are brought into Singapore, even if the goods have been brought in only on transit and are not destined for the Singapore market.
- Freight forwarders will be considered *exporters* of goods if they intend to take the goods out of Singapore, and there is clear evidence that the export is imminent or would definitely take place.
- However, freight forwarders will not be liable for trade mark infringement merely by reason of the physical act of importing or exporting the infringing (counterfeit) goods. To establish liability, the trade mark proprietor must also prove that (i) the alleged infringer intended to import or export goods under the signs and that (ii) the alleged infringer knew or had reason to believe that the signs were used on the goods. If this is established, it does not matter whether the alleged infringer knew that the signs were trade mark infringing, based on the settled legal position that innocence is not a defence to infringement.

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The cargo was described in generic terms and included references to “*household goods*”. It was not disputed that, as part of the transshipment service, the freight forwarder would not ordinarily need to see or to take physical possession of the containers. Indeed, in this case, at no point did the respondent see or interact physically with the cargo.

However, upon the cargo’s arrival in Singapore, the Singapore Customs inspected the containers and, upon finding them to include counterfeit products totaling more than 15,000 items, seized the goods.

It transpired that the foreign shippers in China had provided false addresses and could not be traced. The appellants then commenced an action against the respondent for infringement of trade mark use. Whilst the Indonesian company was brought in as a third party in the proceedings, it chose not to participate in any of the proceedings before the Singapore Court.

Legal Issues

Under section 27 of Singapore’s TMA, a person infringes a registered trade mark if he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services identical with those for which the trade mark is registered, without the consent of the trade mark proprietor.

The key question before the Court of Appeal was whether the respondent could be said to have “*used*” the sign here. Under section 27(4) of the TMA, a person is deemed to use a sign if, *inter alia*, he “*imports or exports goods under the sign*”. Whether the respondent constituted an importer or exporter within this section depended on:

- whether goods in transit in Singapore are considered to be “*imported*” under the TMA; and
- whether an intention to export (without any actual act of export) is sufficient to constitute infringement.

Apart from considering whether the respondent was responsible for the physical act of importing or exporting the infringing goods, the Court of Appeal took the further additional step of considering whether the respondent intended to import or export goods under the signs in question and in particular, whether the respondent knew or had reason to believe that the signs were used on the goods.

Meaning of “import” and “export” under the TMA

In relation to the first question, the Court found that goods in transit, once brought into Singapore, would be taken as imported even if they were not intended for the Singapore market. The Court agreed with the Judge below that the context and structure of the TMA are consistent with “import” covering goods brought into Singapore only for the purpose of transit.

In relation to the meaning of “export” under the TMA, the Court found that a mere intention to export was insufficient to constitute infringement; and that “*accompanying actions which are clearly directed at fulfilling the said intention to export or ... clear evidence that export would definitely take place*” was also required.

Having found that the respondent’s actions would have fallen within the ambit of import/export under the TMA, the Court of Appeal reasoned that it was not enough that the alleged infringer was responsible for the physical act of importing or exporting the infringing goods. The Court explained that the alleged infringer must have “*intended to import or export goods under the signs and in particular that [the alleged infringer] knew or had reason to believe that the signs were used on the goods*”.

Revisiting strict liability in trade mark infringement

In finding that the respondent was not liable for trade mark infringement, the Court of Appeal focused on the significance of the requirement of “use” and considered whether one could fairly be said to use a sign if he has no knowledge at all that the sign exists on the goods.

In its reasoning, the Court addressed the traditional understanding that trade mark infringement is one of strict liability and that the mental state of the alleged infringer is entirely irrelevant, as argued by the appellants and the *amicus curiae*. The Court rejected those arguments and noted that the concept of strict liability was “*indeterminate because different degrees of strictness may exist*”, and clarified that “[t]he only thing that can be said confidently of strict liability is that liability is not dependent on fault”.

In its analysis, the Court examined a number of cases which concerned defendants who had intended to use the sign in issue and in their defence maintained that they did not know that the sign was infringing. In the Court’s view, these cases did not establish conclusively that a defendant who did not even know that a sign was applied or present on the goods would be liable for trade mark infringement.

Accordingly, the Court of Appeal introduced a new mental element for trade mark infringement – in order for infringement to take place under section 27 of the TMA, the alleged infringing importer must have intended to do the act constituting the infringing use with knowledge or reason to believe that there was a sign present on the things in issue. If those conditions were satisfied then it would not matter whether he knew that the sign or its use was infringing.

The Court found that there was no evidence that the respondent knew or had reason to believe that there were signs on the goods, and that the respondent was merely providing a commercial service as freight forwarders in its ordinary course of business. Therefore, the respondent was found not to be liable for trade mark infringement.

Implications

With this decision, the Court of Appeal has revised the traditional understanding of strict liability in trade mark infringement cases, and has made clear that the hallmark for liability for infringement in these transshipment cases is intention – that is, the intention to import or export the goods under the signs in issue. This will doubtless be welcomed by those within the freight forwarding industry who play only a transitory and facilitative role in the shipment and who lack actual knowledge of what is inside the shipment beyond what is declared to them.

The Court highlighted the need to balance effective enforcement of IP rights with the over-extension of liability to “*honest commercial persons who happen to be tangentially involved in the movement of counterfeit goods*”. Parties who legitimately have a complete lack of knowledge that the infringing signs are on the goods that it is transshipping will not be held liable under the TMA.



DÜSSELDORF

Marisa Machacek

INTELLECTUAL PROPERTY PROTECTION FOR STORE DESIGNS IN GERMANY

Retail businesses have lost a considerable number of customers to online shopping and, as a result, have had to reinvent the conventional retail store concept in order to continue to appeal to consumers. Great efforts go into providing consumers with a memorable experience which makes them want to come back for more. Apple, Nike, Louis Vuitton, Nespresso, Prada and many other famous brands around the globe have developed iconic store concepts. The distinct designs aim for consumers to recognise the origin of the brand immediately, before even seeing any products.

The scope of legal protection of store designs was recently considered by the Higher Regional court of Dusseldorf in the context of unfair competition law (OLG Düsseldorf, decision from 22 November 2018, 15 U 74/17 – Gastronomiekonzept). This article will consider the protectability of store designs pursuant to German IP law, namely in respect of the legal regimes governing, trade marks, designs, copyright and unfair competition.

Trade mark law

As a retail store's design may function to communicate a certain brand, trade mark law appears to offer a possible regime for store designs.

The most notable case cornered Apple's flag ship store (CJEU, decision from 10 July 2014, C-421/13 – Apple/DPMA). After successfully obtaining trade mark protection in the US and filing for an international registration via WIPO, Apple sought to extend protection to Germany. The German Patent and Trademark Office refused protection of the store concept as a trade mark, holding that the representation of retail store was nothing other than a representation of an essential aspect of that undertaking's commercial services (and not of the goods/services themselves) and that the consumer could not understand a retail store's design as an indication of commercial origin of the goods/services.

During the appeal proceedings before the German Federal Patent Court ("BPatG"), the BPatG was uncertain whether, pursuant to Articles 2 and 3 of the EU Trademark Directive 2008/95, Apple's retail store design could be registered as a trade mark. The submitted depiction of the retail store showed Apple's iconic store front and the view of inside the store, without information in respect of size or proportions.

Key Issues

- Store designs may enjoy protection in Germany pursuant to the legal regimes governing trade marks, designs, unfair competition and copyright, providing a variety of possible means of protection.
- However, in view of the requirements of each legal protection regime, thorough assessment by an IP expert is advisable to take into account the facts of each specific situation.



The BPatG referred the case to the Court of Justice of the European Union (“CJEU”), and asked for a preliminary ruling as to whether a store design can constitute a sign capable of graphical representation and function as an indication of origin for goods and/or services.

The CJEU held that trade mark protection under the Directive is possible in respect of store designs, considering it to be comparable to the packaging of goods. The CJEU also considered the requirement distinctiveness, holding that, to be distinctive, the design must depart significantly from the norm or customs of the sector, applying legal principles developed in the context of three-dimensional shape marks. The CJEU considered that retail store designs, capable of being protected as trade marks, do not need to satisfy more onerous requirements than traditional trade marks (i.e. a prerequisite of distinctiveness), however, it did specify that store designs would need to be “atypical” to acquire protection as a trade mark, setting the bar of trade mark protection for store designs rather high.

Regarding the prerequisite of “graphical representation”, the CJEU held that the image above, depicting of the store’s interior, without indicating specific size and proportions, would be sufficient for protection as a trade mark. However, recent trade mark reform in EU legislation has substituted this requirement with “representation in the electronic register”, relaxing this requirement for non-traditional trade marks (such as three-dimensional marks, olfactory marks and sound marks) by permitting more ways of publishing applications for trade marks in the register, besides from mere two-dimensional drawings.

In Germany, despite the DPMA’s concerns with respect to Apple’s ‘retail store mark’ in the US, it appears to be generally possible to secure trade mark protection for a store design. A recent example is a three-dimensional German trade mark registration no. 302015058552 encompassing a “REWE To-Go Store” by the well-known food retailer REWE.

Unfair competition law

Pursuant to unfair competition law, store designs can be protected against counterfeit design. This position was confirmed by the recent case “Gastronomiekonzept” as well as by the previous decisions of “Vapiano” (LG Münster, decision from 21 April 2010, 21 O 36/10) and “Subway” (OLG Schleswig, decision from 26 September 2013, 16 U (Kart) 50/13).

In “Gastronomiekonzept”, a German fast food chain (“Frittenwerk”) which specialises in making chips (which translates to “Fritten” in German) claimed that a competitor used the same design elements in its menus, the same store design (including colour theme) and the same word element in the restaurant’s logo. The court had to decide whether Section 8 (1), (3) no. 1, Sections 4 no. 3a, 3 German Unfair Competition Act (“UWG”) regarding counterfeiting a competitor’s products, which causes confusion regarding the origin of those goods or services was applicable to the facts of the case.

The court first acknowledged that store design is a ‘work result’ covered by the broad notion of protectable subject matter under the UWG. The court found the original Frittenwerk-store concept to be distinguishable and recognisable, and therefore protectable under the applicable provisions of the UWG. In particular, since the distinct arrangement and design would point potential consumers to the origin and the accompanying characteristics of the claimant’s store (thus passing the legal threshold of “competitive originality”). The defendant was unable to justify its use by proving that the store concept by Frittenwerk was just ordinary and would not be recognised as different from other modern “street food” restaurants.

In addition, for the test of counterfeit and consumer confusion one needs to ask whether the essential (i.e. the protected) elements of the work result were copied since a counterfeit does not necessarily need to be identical or nearly identical to the original. Further, consumer confusion can be caused if the counterfeit appears as a secondary brand or new line of products by the same chain. This can even be the case if the counterfeit store design represents an “Asian”-style instead of the “Italian”-style of the original as ruled in “Vapiano”.

Design law

Under German law, a store design might also be protectable as a registered design pursuant to Section 1 German Design Act (“DesignG”). Section 1 no. 1 DesignG provides that any design, which is a two-dimensional or three-dimensional appearance of all or part of a product, resulting in particular from the characteristics of the lines, contours, colours, shape, texture or materials of the product itself or its ornamentation and even a complex product, consisting of several building elements (no. 3), can enjoy design protection.

A store’s interior layout is usually composed of numerous elements comprising the building structure, furniture, decoration and other design elements, which may raise the fundamental question whether store design shows a sufficient degree of “design unity” to be considered as a uniform “product”. However, according to an early decision from 1953, interior design can indeed show such unity (OLG Frankfurt, decision from 23 March 1953, 6 W 636/52). In a similar case, the foregoing was confirmed by the German Federal Supreme Court with respect to furniture ensembles (BGH, decision from 20 September 1974, I ZR 35/73 – Möbelprogramm; BGH, decision from 23 October 1981, I ZR 62/79 – Büromöbelprogramm).

Further, a design needs to be new and have individual character in accordance with Section 2 (1) DesignG, meaning that the overall impression of the design should be clearly different from any pre-existing designs in the same sector, requiring a comparison between a ‘new’ store design and existing store designs in the same

industry sector. For example, designs in the restaurant sector will be different than those in the retail business.

The design database reveals that there have indeed been numerous European store design registrations, showing the exact room layout and product arrangement in a drawing, photography or three-dimensional model.

Copyright law

Store designs may also be protected as a copyright work if it constitutes an original work of authorship under the German Copyright Act ("UrhG") regardless whether it is qualified as architecture or applied art (LG München, decision from 4 October 2001, 7 O 3154/01). Similar to design law, the elements of the store design must show a certain degree of unity. In addition, to pass the originality bar the creative achievement must go beyond what is technically necessary (e.g. bridge piers) or usual (e.g. design of a terraced house). Thus, the work is not an original work of authorship if it is the result of mere routine craftsmanship or serves a mere technical purpose.

Pursuant to recent case law, the requirement of originality is relatively low. No particular artistic value is required, although trivial works that are not characterised by any degree of individuality will not be afforded protection. Case law determines the degree of individuality by comparing the overall impression of the work with the previously known designs of similar works.

Conclusion

German IP law provides for a variety of possible protection regimes for store designs, each with its own requirements in order to secure protection.

There are a number of issues that would need to be considered by persons assessing which regime would be the best form of protection for their store design, including (i) the scope of protection under each protection regime, (ii) which protection regime would reflect the applicant's best interests, (iii) whether the legal regimes could be applied for cumulatively, (iv) how a store design could be designed to fulfil the prerequisites of one or more protection regimes, (v) particular consideration if the owner/user of the store design and the author of the copyright are different persons (e.g. whether this can be dealt with by contractual agreement), and (vi) protection for more generic stores, etc..

In a nutshell, given the variety of possibilities for protection and the many aspects to be kept in mind, assessment of the specific facts of the case by an IP expert is highly recommended. In any event, stakeholders should take the above into account early in the development phase and also during the shop's operation in order to create and promote a store design that is protectable and also fulfils a shop owner's needs from a commercial perspective.

Recent Events Ladies only –

Zukunft im Blick Cooperation Event
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IP Stars 2019 **Claudia Milbradt**

ranked as Trade mark star and patent
star Germany

MILAN

Monica Riva Ph.D. / Stella Pavone

COURT OF TURIN DECIDES “NOTINO” CASE: “ONLINE SALES ARE NOT ALWAYS DAMAGING TO A BRAND’S REPUTATION”

Luxury brands, whether in fashion, cosmetics or fragrances, will typically sell their products through “selective distribution networks”. Under such arrangements, the brand agrees to sell the goods exclusively to distributors selected under specific criteria, and the distributors agree not to distribute those goods to unauthorised retailers (definition of selective distribution system in Article 1(e) of Regulation (EU) No. 330/2010).

Selective distribution agreements enable major luxury brands to retain greater control over distribution networks. They can use this system to ensure that their products may only be marketed and distributed through intermediaries who meet particular levels of technical expertise and professional competence through sales channels and structures that also have to meet particular quality standards. These standards help protect the brands’ prestige and image.

Such selective distribution systems are generally considered favourably by the European courts, and are generally treated as compliant with the prohibition on cartels and other agreements disrupting free competition under article 101(1) TFEU. This is only on the condition that:

resellers are chosen on the basis of objective criteria of a qualitative nature, laid down uniformly for all potential resellers and not applied in a discriminatory fashion, that the characteristics of the product in question necessitate such a network in order to preserve “its quality and ensure its proper use and, finally, that the criteria laid down do not go beyond what is necessary (CJEU (Third Chamber), Judgment of 13 October 2011, Case C-439/09).

The case law at EU level and in Italy holds that, provided certain conditions are met, selective distribution systems may even constitute an exception to the principle of exhaustion of intellectual property rights (in Italy, under article 5 of Legislative Decree 30/2005). Once a product carrying a trade mark has entered the territory of the EEA with the consent of its holder, IP rightsholders cannot object to the product’s further and subsequent marketing and distribution. The trade mark holder’s rights are considered “exhausted”, unless there is a “legitimate ground” on which they may object to the good’s further commercialisation. Case law has held that the existence of a selective distribution network may constitute a “legitimate ground”.

The Court of Turin has in two recent judgments returned to the issues around the selective distribution of luxury cosmetics and the principle of exhaustion. In doing so, it

Key Issues:

- A trade mark holder may object to the resale of their luxury products by third parties outside of their authorised network only where that would give rise to actual or potential prejudice to the brand’s prestige or luxury image.
- Resale may be considered unlawful because it undermines the brand’s renown where it takes place through general retail websites, or there is a total absence of post-sale customer assistance.
- Online sales do not *per se* adversely affect a luxury brand’s reputation, and neither do discounting policies, promotions, or the placing of luxury products alongside lower-priced goods from the same category.

Legal Community IP & TMT
Awards 2019

Monica Riva received the award for
Best Practice Digital Tech IP

Monica is a practitioner highly regarded in the sector. This year, she stood out in the field of tech and digital transformation for winning a few high-profile mandates

has identified a series of practical conditions that may indicate that distribution by unauthorised resellers is lawful.

The “Notino” case

In this case, the applicant, Olfattorio S.r.l. (“**Olfattorio**”) made an urgent application to the Court of Turin against another, Notino Italia S.r.l. (“**Notino**”).

Olfattorio acted as the exclusive distributor for Italy, and authorised reseller, of cosmetics and fragrances carrying the marks of a series of luxury brands (the “**Brands**”). It had created a selective distribution network in order to ensure that the products’ marketing and distribution was consistent with the Brands’ prestige and reputation.

The applicant complained that while Notino was not within the official distribution network, the products it sold included cosmetics and fragrances bearing the Brands’ marks. Notino sold these products at prices below those of the official network, and declared that its supplies were sourced from authorised resellers.

Olfattorio raised a number of complaints, in particular that Notino’s conduct breached the selective distribution agreements, and that the sales channels it used were not consistent with the Brands’ image and prestige. The applicant also considered that it had standing to object to the further marketing and distribution of products by the respondent because the presence of a selective distribution system was a legitimate ground, and therefore the principle of exhaustion did not operate. It sought an injunction preventing Notino from distributing the products further.

Notino argued that it provided a highly professional sales system that was not in any way detrimental to the image of the Brands. It also maintained that exhaustion had occurred, for the purposes of EU law. Therefore, the trade mark holders could no longer object to the further distribution of the products because the respondent had lawfully acquired them from authorised resellers. Notino argued that the existence of a selective distribution network did not automatically result in an exception to the principle of exhaustion unless there was evidence of harm to the reputation and prestige of the Brands.

The Court of Turin dismissed Olfattorio’s claims in their entirety, in a judgment of 17 December 2018 that was also upheld on appeal on 18 January 2019.

The Courts’ decisions

The Court of Turin acknowledged that the selective distribution arrangements in and of themselves would not automatically provide an exception to the principle of exhaustion for the exclusive rights held by a trade mark’s owner.

The Court emphasised the principle of free competition, acknowledging that where there was a selective distribution network, a trade mark holder may object to resale of its high-prestige products by third parties (also after they have duly entered the market), but **only where that resale is carried out in a manner that harms the brand’s “aura of luxury” and its reputation.**

The Court then discussed in detail how sales were executed in practice in this case and offered a number of points of guidance with general application.

They found that the **sale of luxury goods at prices below those of authorised resellers** did not of itself harm the prestige and reputation of a brand. This was, not least, because often authorised resellers, and a brand itself, may apply discounts or promotions through their official channels.

With respect to **online sales of luxury products**, the Court considered that distribution through websites dedicated to particular products (such as, in this case, luxury cosmetics and fragrances) would be lawful. On the other hand, marketing and distribution through less specialised websites, selling large ranges of products unrelated by category of goods, value and quality, could be damaging to a brand's image. The presence, moreover, of post-sale customer service and mechanisms for handling customer complaints would be useful barometers when assessing the legitimacy of the unauthorised third-party sale.

The Court also found that **placing luxury brand items alongside everyday consumer products** in the same sector of goods, carrying lower prices, would not automatically discredit the brand's reputation. Indeed, the price difference would "serve to confirm the different significance of the various product categories". Moreover, the physical stores and websites of authorised resellers will often place luxury products alongside mass market products. The Court also observed that when it comes to online sales in particular, consumers do not ordinarily search for major categories such as "women's fragrances", but instead for particular products belonging to an identified brand. Consequently, luxury products are not in fact placed alongside other kinds of goods.

Conclusions

Where certain conditions are satisfied, selective distribution networks may constitute an exception to the principle of exhaustion of exclusive rights. A trade mark holder may object to the further marketing and distribution of their luxury products by third parties from outside of their authorised network only where that would give rise to actual or potential prejudice to the brand's prestige or luxury image. In particular, resale may be considered unlawful because it harms the brand's renown where it takes place through general consumer goods websites, or there is a total absence of post-sale customer assistance. By contrast, online sales do not necessarily adversely affect a luxury brand's reputation, and neither do discounting policies, promotions, or the placing of luxury products alongside lower-priced goods from the same category.

BARCELONA

Adrián Crespo

DINOSAURS AND GIN – DEVELOPMENTS IN SPANISH CASE LAW ON “LOOKALIKE” PRODUCTS IN THE FOOD AND BEVERAGE SECTOR

Spanish courts have traditionally held a strict view on trademark and unfair competition actions against “lookalike” products, culminating in the Spanish Supreme Court’s landmark decision in the 2015 “Oreo®” case. Two recent judgments of the Barcelona Commercial Courts and the Alicante Court of Appeal in cases concerning dinosaur-shaped cookies and gin bottles provide new – if at times contradictory – clues as to the current position of Spanish trademark law in relation to lookalikes.

Dinosaurs: judgment of Barcelona Commercial Court No. 8 of 3 April 2019

This case pitched two leading Spanish confectionary companies against each other. The plaintiff held various trademarks protecting its “Dinosaurus” range of cookies. The cookies, which come in the two-dimensional shape of dinosaurs, have been highly popular with Spanish children for decades. In addition to mixed trademarks protecting the “Dinosaurus” logo, the plaintiff also had a series of figurative (but not three-dimensional) trademarks protecting each of the dinosaurs.

The defendant sold dinosaur-shaped cookies under the “Gallesaurus” brand, albeit in a significantly different format: smaller bite-sized cookies which are meant to be eaten from a bowl with milk, much like breakfast cereals.

Barcelona Commercial Court No. 8 dismissed both the plaintiff’s trademark infringement and unfair competition action. The Court’s findings on the figurative dinosaur trademarks are of particular interest. The Court did not assess whether there was a likelihood of confusion between the defendant’s cookie and the plaintiff’s dinosaur trademarks. Instead, it found that the drawings of the dinosaurs were non-distinctive and lacked any peculiar individualising features. In doing so, the Court relied in part on the “Oreo®” precedent from the Spanish Supreme Court, which had found that the shape of “Oreo®” sandwich-type cookies lacked distinctiveness.

The application of these two cases may represent a markedly strict view on distinctiveness. The Court also strongly emphasised that the trademarks were two-dimensional drawings, as opposed to three-dimensional trademarks. Although this was not the key deciding factor (since the Court found that the trademarks would not have been sufficiently distinctive even if they had been deemed three-dimensional), it is surprising. The Court also emphasised – within the context of trademark infringement –

Key Issues

- Recent decisions from the Spanish courts are shaping trademark law in the context of “lookalike” products in the food and beverage sector.
- One of Barcelona’s Commercial Courts has taken a narrow view on the “distinctiveness” of trademarks protecting confectionery products in creative shapes. It has made findings that impact product design, trademark prosecution and enforcement strategies. In turn, the Alicante Court of Appeal has curbed a commonly-used lookalike strategy in the spirits sector.

the differences in the shape and format of the products' packaging (cereal-type bag vs "flowpack"-type packaging).

The Court took a strict view on the evidence required for proving the reputation of a trademark. In a very lengthy discussion on the distinctions between experts, witnesses and hybrid "expert witnesses" (which may impact evidentiary practice beyond IP cases), the Court rejected a panoply of market research studies and instead relied on the defendant's expert report from an academic expert on branding and IP valuation.

Overall, rightsholders and companies in the food industry can learn several lessons from this:

- Spanish courts may apply a strict benchmark on the distinctiveness of signs protecting foodstuffs in the shape of animals, fantasy characters or other similar shapes. Distinctive, "cartoonish" designs seem to be required;
- Filing applications in respect of three-dimensional signs (as opposed to mere two-dimensional drawings) may minimise risks;
- Packaging may matter, even if the trademark dispute does not concern the packaging as such; and
- For the purposes of establishing a sign's reputation, empirical evidence (market research, marketing budgets etc.) is often best supplemented with academic expert reports.

Gin: judgment of Alicante Court of Appeal (Section 8) of 18 February 2019

Conversely, this decision from the all-important Section 8 of the Alicante Court of Appeal is a recent example of successful enforcement against lookalike products. The plaintiffs, wine and spirits giant Pernod Ricard and legacy brand Allied Domecq, brought trademark infringement and unfair competition actions against a local competitor, which sold gin in bottles with an overall design which was very similar to the classic Beefeater® bottles. However, the brand name was completely different and, instead of Beefeater®'s classic Yeomen Warder, the lookalike product featured the "jack" or "knave" from Spanish playing cards. The product was clearly aimed at the lower end of the spirits market.

The Court found that the Beefeater® three-dimensional and word trademarks had a reputation. It held that they had been infringed pursuant to Article 9(2)(c) of the European Trademark Regulation, which governs the infringement of trademarks with a reputation even in the absence of likelihood of confusion. The Court found that, although consumers were able to tell the two products apart due to the different names and characters on the bottles, the overall impression to consumers meant that the defendant was taking unfair advantage of Beefeater®'s reputation. In fact, the clear difference in quality of the two brands only served to confirm infringement.

This judgment is welcome news for the spirits industry in Spain, which in recent years has witnessed the proliferation of lookalikes of popular brands. An infringers' usual strategy of imitating overall design while introducing different brand names and graphic elements to avoid confusion may no longer work.

Notable practitioner

IP Stars 2019 Tier 1 in
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Miquel Montana – ranked as
Trade mark Star and Patent Star

MILAN

Monica Riva Ph.D. / Stella Pavone

GEOGRAPHICAL MARKS: THE END OF THE OLD NOTION OF THE GEOGRAPHICAL MARK AS AN INVENTED NAME?

Frequently – and especially in the market for consumer goods – use is made of geographical names in trade marks.

Italy's Supreme Court recently returned to the subject, and the law in this area has been shifting recently, partly as a result of recent legislative changes.

The case of the “Borro” trademark identifying a Tuscan wine

A recent case before the Supreme Court concerned a dispute pertaining to a trade mark used for a notable Tuscan wine, il Borro. The owner took action against a local competitor, who brought a counterclaim seeking to void the geographical trade mark.

Both at first and second instance, the courts ruled that the trade mark had low distinctive character (the name qualifying as a trade mark nonetheless) – but there had been no infringement.

The case was then heard by the Supreme Court. It held, in its Judgment No. 4254 of 13 February 2019, that as a geographical trade mark makes reference to a particular geographical location it, typically, does not have distinctiveness, and simply indicates a product's geographical location. The Supreme Court considered that ‘il Borro’ is not a geographical name in the strict sense, but rather an expression that describes the characteristics of a natural feature (*borro* is the name of a local castle and is routinely used by hotels and tourist businesses in the area, as it is a prominent local feature). As such, the Supreme Court held that the use of ‘il Borro’ as a trade mark was valid, but the trade mark nevertheless has weak distinctive character.

The Supreme Court referred to a previous ruling that geographical marks were always generic, unless they carried modifications (Supreme Court, 19 April 2016, Judgment No. 7736). Only where these were present “*may a geographical name... act, like any other word, figure or sign, to distinguish the product, having legitimate protection as a trademark*”.

Key Issues

- Previous Italian caselaw held that a geographical trade mark could be valid where it was used **as an invented name** (*adozione di fantasia*), **regardless of its geographic meaning**.
- A recent decision by the Italian Supreme Court found that a geographical mark will generally tend to lack distinctiveness, as it identifies a geographical location, and does not denote the origin of goods and/or services.
- New legislation known informally as the Growth Decree (*Decreto Crescita*), in force since 1 May 2019, prohibits registration of trade marks in Italy for “all names of States and Italian local government institutions”.

Italian caselaw and the use of geographical names as invented names

While this 2019 judgment by the Supreme Court, and its precedent of 2016, did not refer to geographical names in the strict sense, they do appear to be consistent with the caselaw in the Court of Justice of the European Union, which tends to treat geographical names as generic by definition, or otherwise incapable of being monopolised.

Italian caselaw has, at least prior to these two judgments, emphasised the need to assess whether the use of a geographical mark is really that of **an invented name** (*adozione di fantasia*), in relation to the products and services that it in fact distinguishes. This approach goes back to a Supreme Court judgment of the 1990s. The principle is that where a geographical trade mark is considered to have been adopted as an invented name, then its adoption should be considered as lawful.

Other less recent decisions explored a mark's reputation as crucial to establishing its validity. Where a geographical name is assigned a modest reputation, and it may reasonably be said that it is completely unfamiliar to the public as a physical location, then the trade mark will tend to be valid, because consumers would not be able to link the characteristics of the product or service to the name. Being unfamiliar, the name is unsuitable for communicating a description of geographical location – see expressly the judgment by the Court of Florence, 18 September 2006, which ruled that the name of a modest farm (“Verrazzano”) could be used as a trade mark for wines, given that the prohibition on registration of geographical names regards only particular geographical names that are already renowned or well-known for the category of products in question, and thus have a nexus with that category in the eyes of the consumer.

New legislation, known informally as the Growth Decree, which has been in force since 1 May 2019, prohibits registration of trade marks in Italy for “all names of States and Italian local government institutions”.

This has resulted in a prohibition upon registration for at least some geographical marks, consistent with the trend not to register such names on the basis they are generic, or unsuitable for use as trade marks, as they evoke qualities unrelated to the product. This eliminates any need to examine whether a mark is being used as an invented name.

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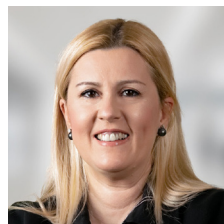


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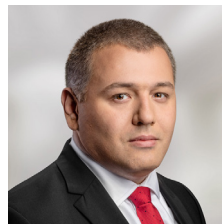


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C L I F F O R D

C H A N C E

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