

Sweet victory for Ferrero in parasitism case

Contributed by Lovells LLP

April 06 2010

Background

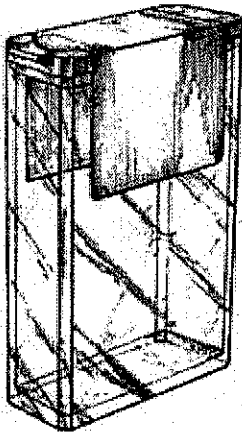
Validity

Infringement

Parasitism

Background

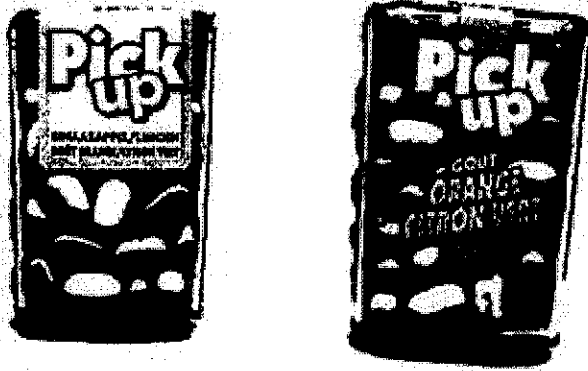
Italian company Ferrero SpA owns a three-dimensional international registration dating back to March 12 1974 to designate products in Class 30 of the International Classification, including sweets.



The trademark consists of a "transparent box-shaped rectangular parallel piped whose edges are chamfered". In addition, the box is covered by a label which starts on one side and joins the other side across the top of the box; the label does not cover the upper part of the box completely, but leaves the upper ends of the box uncovered.

The Paris Court of First Instance had already held this combination of characteristics to constitute a valid trademark in a decision of November 5 1980. Ferrero France uses this trademark to commercialize Tic Tac sweets in France.

It came to Ferrero's attention that German company Candy Team was manufacturing, importing and commercializing sweets in France under the name 'Pick Up', as shown below.



Ferrero instituted legal proceedings against Candy Team before the Paris Civil Court of First Instance for trademark infringement and parasitism.

Validity

Candy Team challenged the validity of Ferrero's three-dimensional trademark, arguing that its shapes were usual and/or functional.

The Paris Civil Court of First Instance confirmed⁽¹⁾ that the trademark at issue was valid considering that: (i) Candy Team did not produce any prior models showing that such package is common for sweets or using the same characteristics as the packaging at issue; and (ii) even if its locking system was previously protected by a patent, such package is not purely functional since its label is essentially ornamental.

Finally, the court held that the package at issue manifestly satisfies its function of indication of origin since surveys conducted on this issue have shown, in particular, that 84% of respondents spontaneously associate it with the Tic Tac product.

Infringement

The court considered that the sweets sold in the challenged packages were identical to the sweets designated by Ferrero SpA's international registration. However, it stated as follows:

- The challenged packages do not have right angles, but rather rounded edges evocative of the shape of the sweets inside, and have side walls narrowing towards their base;
- The packages have labels bearing the name 'Pick Up', the flavour of the sweets and their composition - these labels cover half of the first package and more than two-thirds of the second one; and
- The overall visual impression between the three-dimensional international registration and the Pick Up product is different enough to avoid any risk of confusion.

Therefore, the court considered that the challenged packages do not infringe Ferrero's prior rights in its three-dimensional registration.

Parasitism

The court considered that the commercialization of sweets with the same shape, caloric value, flavours and colours (ie, orange and green), in packages made of transparent plastic with the same weight and similarly packaged in fours, showed that Candy Team had sought to

promote its own products by taking undue benefit from the investments made by Ferrero for its Tic Tac products, which constituted distinct acts of parasitism.

On this basis, the court ordered Candy Team to pay €200,000 in damages to Ferrero.

It is not yet known whether Candy Team has appealed the decision. However, the decision is in line with French case law, pursuant to which trademark infringement is assessed as regards the prior trademark as registered, and not as used.

For further information on this topic please contact Marie-Aimée de Dampierre or Camille Pecnard at Lovells by telephone (+33 1 53 67 47 47), fax (+33 1 53 67 47 48) or email (marieaimee.dedampierre@lovells.com or camille.pecnard@lovells.com).

Endnotes

(1) Paris Civil Court of First Instance, *Ferrero SpA v Candy Team GmbH*, November 6 2009.