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## The double identity of OSCAR: a trademark and a common term

The Supreme Court recently held that the trademark OSCAR was valid with respect to the film industry and thus gave its owner, the Academy of Motion Picture Arts and Sciences (AMPAS), exclusive rights in its use. However, the court also held that the trademark had become a common name in relation to other services – namely, teaching and performances in Class 41 of the Nice Classification.

### Background

In 2007 AMPAS filed suit against Associazione Italiana Calciatori, AIC Service Srl and Media Service Srl for infringing its Italian and Community OSCAR trademarks. The defendants used its mark OSCAR DEL CALCIO for an event that awards the best players, coaches and referees during the Series A football season. They argued that the term 'oscar' had become a common name since the early 1980s for any type of award in a contest.

In Decision 143/2008 the Court of Venice confirmed the validity of AMPAS's OSCAR trademark. However, it stated that the use of the mark OSCAR DEL CALCIO by the defendants did not infringe AMPAS's exclusive rights due to the absence of similarity between the services offered.

Both sides appealed to the Venice Court of Appeal. In Decision 2678/2011 the appeal court partially revised the first-instance decision, accepting the defendants' counterclaim and declaring the revocation of the Italian trademark and the nullity of the Community trademark for the term 'oscar'. According to the appeal court, 'oscar' had indeed become a common term for awards at any kind of event or exhibition. Therefore, the infringement claim was dismissed.

### Court of Cassation decision

In 2012 AMPAS appealed to the Court of Cassation which, in Decision 15027 (July 21 2016) partially amended the decision of the Venice Court of Appeal, finding that AMPAS's OSCAR trademark was valid – thus confirming the first-instance decision – but only in relation to the film industry.

The Court of Cassation noted that the so-called 'vulgarisation' of a trademark occurs when a mark falls into common parlance so that any link to the company which owns the trademark is lost. The court confirmed that it is possible for a trademark to become common only in relation to some goods or services, while at the same time preserving its distinctive character in relation to other goods or services of a particular entity. In this regard, the appeal court was correct in finding that the term 'oscar' now has a double meaning: on the one hand it is perceived by the general public as a common name,

identifying a first-place award in a competition; but on the other it is still recognised as a mark in the specific field of cinema competitions, specifically identifying the annual Academy Awards organised by AMPAS. Thus, the appeal court had erred in concluding that the trademark should be revoked in its entirety.

As a result, the Court of Cassation partially upheld AMPAS's appeal to the extent that it found that the Italian and Community OSCAR trademarks could not be considered to be vulgarised for services related to the film industry. It also confirmed the absence of infringement as the trademark OSCAR DEL CALCIO was used for services that were different to those for which the OSCAR had distinctive character.

### **Comment**

The Court of Cassation decision confirms that vulgarisation does not necessarily affect a trademark as a whole. Rather, the issue should be assessed based on the particular goods or services for which the trademark has and has not become a common name. It is thus possible that, as in the case at hand, a trademark can assume a dual identity: for some goods or services it may preserve its original function of identification of origin, while for others it may become a common term.

In the case at hand the difference stemmed from the context of use of the trademark. To the extent that 'oscar' is used in the film industry, it is perceived as a trademark and consumers will immediately and exclusively think of AMPAS and the well-known annual awards ceremony. In contrast, when 'oscar' is used in different contexts, such as an awards ceremony for football participants, consumers will perceive it simply as the common name for a prize.

The Court of Cassation's reasoning was clear, but some uncertainty remains about the boundaries for free use of the term 'oscar'. Italian and EU trademark law grants wider protection to trademarks with a reputation beyond the principle of similarity of the goods or services. Once reputation is established, broader protection is afforded in cases where a third party uses a similar sign without due cause, thereby taking unfair advantage of or causing detriment to the distinctive character or reputation of the trademark.

The Court of Cassation sua sponte noted that in the case at hand, the reputation of the OSCAR trademark was an issue even if it was not explicitly raised by AMPAS. The Venice Court of Appeal also noted that the OSCAR trademark could be considered well known.

This begs the question of what would have happened had AMPAS relied on reputation and proved unfair advantage or detriment to the distinctive character/reputation of its OSCAR trademark. Perhaps the use of the term 'oscar' for non-similar services would have been considered infringement as a result of the broader protection of a reputed trademark. The Court of Cassation may have to consider this issue in future.

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