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Wine and oil do not mix – except in trademark rulings

The Court of Cassation (Civil Division, Section I, April 13 2015, no 7414) recently upheld a Milan Court of Appeal decision holding that, with respect to trademarks, wine and oil are similar goods. The decision is in line with past Italian jurisprudence, but is inconsistent with both Office for Harmonisation in the Internal Market (OHIM) case law and the position of the Italian Trademark Office, which considers goods in Classes 29 and 33 to be dissimilar.

Lisa Pozzebon

Associate, Italian Trademark Agent, Professional Representative before the OHIM.

Lisa manages the worldwide trademark portfolio of Italian companies in the field of wine, air transportation, hotel industry, mechanical industry, sporting footwear, fashion by supporting them in trade mark strategy. Her core expertise is in the field of trademark clearance, filing, prosecution, maintenance, change in ownership and enforcement of national, community and foreign trademarks
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Facts

Chianti Ruffino, owner of the registered Italian trademark CABREO for wine, filed suit against Consorzio Italiani Oleifici Italiani (CIOS) alleging that CIOS's label for its oil infringed Ruffino's trademark. The Court of Brescia rejected Ruffino's claim based on the differences between the goods and their labels.

The Milan Court of Appeal overturned this decision, ruling that wine and oil are similar since:

they satisfy complementary needs with the same nature (ie, the need for nourishment);

in Tuscany, where the infringement allegedly occurred, the production and marketing of wine and oil is linked in such a manner that consumers may reasonably believe that wine and oil bearing the same or similar labels come from the same producer; and

a large number of companies have expanded their markets for wine to include oil (and vice versa).

CIOS appealed.

Decision

The Court of Cassation dismissed the appeal, affirming that the reasoning of the Milan Court of Appeal was correct. The court emphasised that the following criteria (developed from case law) should be considered when assessing whether goods are similar:

- whether the goods have the same nature and the same consumers, and satisfy the same needs;
- the needs of the consumer, where such needs are not excessively generic (eg, the need to dress, eat, drink or read); and

- functional similarity, which occurs with goods that are purchased for identical or similar needs – this may lead consumers to conclude that the goods have the same producers without regard to the presence or absence of common distribution channels.

The court held that the appeal court's decision complied with these criteria since it was based on:

- the complementary nature of the goods, since in Tuscany (and throughout Italy) the production and marketing of wine and oil often occurs together, such that consumers may reasonably believe that oil and wine bearing similar trademarks come from the same producer; and
- the functional similarity of the goods.

Position of Italian courts

The Milan Court of Appeal based its assessment of the similarity of the goods on the need for nourishment that both wine and oil satisfy. However, this need is clearly generic, since it can be satisfied by a wide variety of goods. This level of generalisation is in sharp contrast to case law (including Court of Cassation jurisprudence), which mandates the use of non-generic criteria to determine the nature of the need.

With respect to the trend of companies expanding from one field to another, Italian case law holds that when assessing similarity, it is important to consider that consumers may reasonably expect different goods to have the same commercial origin. According to such case law, this expansion is a relevant factor in the evaluation of consumer expectations as to the origin of goods.

However, this issue is not yet settled, since neither the Milan Court of Appeal nor the Court of Cassation specifically addressed whether Italian wine producers are also often oil producers. Therefore, even if the two fields of production are sufficiently connected to comply with Italian case law, the appeal court's evaluation of this factor remains unexplained and lacks support. Thus, the question of whether Italian winemakers commonly produce oil (and vice versa), and whether consumers naturally expect wine and oil to have the same origin, remains open.

The conclusions of the Milan Court of Appeal and the Court of Cassation follow a line of Italian jurisprudence that has previously concluded that wine and oil are similar products.

Comment

The Milan Court of Appeal’s decision, as confirmed by the Court of Cassation, is inconsistent with the positions of both the Italian Trademark Office and OHIM. Nevertheless, it is in line with previous judgments of the Italian courts which have considered wine and oil to be similar goods.

By contrast, neither OHIM nor the Italian Trademark Office has found similarity between goods in Class 29 and those in Class 33. OHIM has clearly and consistently stated that goods in Classes 29 and 33 are dissimilar when comparing them in general terms and, in particular, in cases relating to wine and oil. Indeed, OHIM examiners have repeatedly observed that the mere fact that both types of goods are intended for consumption is not enough to establish similarity. For example, in a 2014 opposition decision (Decision B2234345, June 16 2014), OHIM stated that:

"*wines have nothing relevant in common with any of the Opponent's goods [olive oil]. The mere fact that the Opponent's goods in class 29 can be used as foodstuff and the contested goods in class 33 are beverages is not sufficient for a finding of similarity as they are clearly different in their nature and purpose*."

Moreover, regarding the criterion of trade origin, the OHIM Board of Appeal has pointed out that it is insufficient merely to conclude that there is similarity when the compared goods have different uses, natures, methods of use and means of production, and when they are not substitutable or complementary (Decision R214/2008-4, August 31 2009). None of these criteria appear to be fulfilled when comparing wine and oil.

Therefore, wine and oil producers interested in enforcing and using their trademarks in Italy should consider the position of the Italian courts with respect to the similarity of wine and oil (and other goods in Classes 29 and 33) in order to better protect their trademarks and avoid infringement claims.

For further information please contact:

Lisa Pozzebon
J&P Jacobacci & Partners
www.jacobacci.com
Email: lpozzebon@jacobacci.com
Tel: (+39) 049 651931

(*) Jacobacci & Partners - IAM Country contributor for Italy