

Because you're worth it (or something just like it)!

Bellure are the producers of various low-cost perfumes which are claimed to have an identical smell to a selection of high-end L'Oreal fragrances, such as *Miracle and Anais Anais*. Bellure's perfume is supplied in bottles and packaging which L'Oreal allege is similar to their own and is advertised by use of comparative tables demonstrating which perfume smells like which L'Oreal fragrance.

L'Oreal brought an action against Bellure for trademark infringement in relation to the use of their marks on the comparative tables and passing off resulting from the similar bottling and packaging. At first instance L'Oreal was successful in regard to the trademark infringement and in regard to the passing off in respect of some of the bottling and packaging where the similarity was such that it would create a 'link' in the mind of the consumer between the two products.

Both sides appealed the judgement and while the Court of Appeal largely agreed with the High Court's assessment of the facts they disagreed with how the law had been applied. The Court of Appeal recognised that the comparative tables provided beneficial advertising to Bellure and appeared unconvinced that L'Oreal's trademarks are adversely affected by their use in these tables. The judge noted that Bellure's defence would be one of comparative advertising which by its very nature takes advantage of a well-known brand and is not necessarily inherently 'unfair' or unlawful.

In relation to the similar packaging arguments the Court of Appeal felt that even though Bellure were likely to be getting an advantage from L'Oreal's advertising and promotion it was not necessarily unfair if no damage was suffered by L'Oreal.

The issues in this case are similar to those in *O2 v Hutchinson* (please click here for more information) which is also awaiting a decision from the European Court on a reference from the Court of Appeal. In this case Hutchinson had used O2's trademarked 'bubbles' in a television advert which compared its mobile phone service to that of O2's service. At first instance it was held that the use of the bubbles could be use as a trade mark and could infringe the marks even if the use of the mark is to indicate the origin of the goods or services of the owner of the mark. However as the advert complied with the conditions of CAD there was no infringement. The conditions are set out here. The Court of Appeal was minded to agree with Hutchinson that its use of the bubbles was not the kind of use prohibited by trade mark law.

The advocate general essentially came down on the side of Hutchison in finding that the comparative advert is specifically covered by the conditions of the CAD and so if the ad complies with the terms of the CAD it will be okay. If the competitor wants to stop the infringement it must have recourse to the CAD and not the usual provisions of the Trade Mark Directive.

Teacher Stern LLP 37-41 Bedford Row London WC1R 4JH

t+44 (0)20 7242 3191 dx 177 Chancery Lane w www.teacherstern.com

This article should not be relied upon as a substitute for legal advice as to any particular matter. If you would like specific advice please contact the persons stated above.

Regulated by the Solicitors Regulation Authority © Teacher Stern LLP 2008. All rights reserved.

In L'Oreal the Court of Appeal was mindful of the fact that the O2 case was awaiting guidance from the European Court and referred five questions of its own which are set out in full at the end of this article. They essentially relate to the use of a trade mark in comparative tables where no real damage is caused, what is permissible in terms of "free-riding" by reference to another person's trade mark, and the meaning of "taking unfair advantage".

The Court of Appeal in the UK in referring the questions hoped L'Oreal would "catch up" with O2 but we have had the O2 opinion first. The European Court follows the advocate general's opinion in the majority of cases and the clarification is awaited with interest.

Questions referred to the European Court of Justice in L'Oreal:

1. Where a trader, in an advertisement for his own goods or services uses a registered trade mark owned by a competitor for the purposes of comparing the characteristics (and in particular the smell) of goods marketed by him with the characteristics (and in particular the smell) of the goods marketed by the competitor under that mark in such a way that it does not cause confusion or otherwise jeopardise the essential function of the trade mark as an indication of origin, does his use fall within either (a) or (b) of Art 5 of Directive 89/104?
2. Where a trader in the course of trade uses (particularly in a comparison list) a well-known registered trade mark for the purpose of indicating a characteristic (particularly a smell of a fragrance product) of his own product (particularly its smell) in such a way that:
 - a. it does not cause any likelihood of confusion of any sort; and
 - b. it does not affect the sale of the products under the well-known registered mark; and
 - c. it does not jeopardize the essential function of the registered trade mark as a guarantee of origin and does not harm the reputation of that mark whether by tarnishment of its image, or dilution or in any other way; and
 - d. it plays a significant role in the promotion of the defendant's product
 - e. does that use fall within Art 5(1)(a) of Directive 89/104?
3. In the context of Art 3a(g) of the Misleading Advertising Directive (84/240) as amended by the Comparative Advertising Directive (97/55), what is the meaning of "take unfair advantage of" and in particular where a trader in a comparison list compares his product with a product under a well-known trade mark, does he thereby take unfair advantage of the reputation of the well-known mark?

Teacher Stern LLP 37-41 Bedford Row London WC1R 4JH

t+44 (0)20 7242 3191 dx177 Chancery Lane w www.teacherstern.com

This article should not be relied upon as a substitute for legal advice as to any particular matter. If you would like specific advice please contact the persons stated above.

Regulated by the Solicitors Regulation Authority © Teacher Stern LLP 2008. All rights reserved.

4. In the context of Art 3a(h) of the said Directive what is the meaning of “presenting goods or services as imitations or replicas” and in particular does this expression cover the case where, without in any way causing confusion or deception, a party merely truthfully says that his product has a major characteristic (smell) like that of a well-known product which is protected by a trade mark?
5. Where a trader uses a sign which is similar to a registered trade mark which has a reputation, and that sign is not confusingly similar to the trade mark, in such a way that:
 - a. the essential function of the registered trade mark of providing a guarantee of origin is not impaired or put at risk;
 - b. there is no tarnishing or blurring of the registered trade mark or its reputation or any risk of either of these;
 - c. the trade mark owner’s sales are not impaired; and
 - d. the trade mark owner is not deprived of any of the reward for promotion, maintenance or enhancement of his trade mark.
 - e. But the trader gets a commercial advantage from the use of his sign by reason of its similarity to the registered mark

does that use amount to the taking of “an unfair advantage” of the reputation of the registered mark within the meaning of Art 5(2) of the Trade Mark Directive?