

Review

IP



Comparative Advertising

Comparative advertising is essentially any advertising which explicitly or implicitly compares characteristics of the advertiser's goods or services to those of its competitor. Comparative advertising is permitted provided it complies with certain conditions, which are set out in Article 3a(1) of Directive 84/450 concerning misleading and comparative advertising. These provide that the advert must compare "like with like" and be objective and must not cause a likelihood of confusion, discredit/denigrate the trade mark, take unfair advantage of the reputation of the trade mark or present the goods as imitations or replicas.

One common issue arising from cases of comparative advertising is whether the use of a registered trade mark in a comparative advert can constitute trade mark infringement. This has been raised most recently in *L'Oréal v Bellure*, a case concerning imitation perfumes. The ECJ's decision in this case was handed down on 18 June 2009.

L'Oréal was the owner of several well-known trade marks including TRÉSOR, MIRACLE and ANAÏS-ANAÏS. The defendants marketed imitations of fine fragrances, including imitations of L'Oréal's perfumes. As part of its marketing, the defendants used comparison lists which they provided to retailers and which indicated the trade mark of the perfume that their product imitated.

L'Oréal brought proceedings on the basis that the comparison lists (which it was held could constitute comparative advertising) infringed its trade marks by virtue of s10(1) Trade Marks Act 1994, which prohibits the use of an identical mark for identical goods. This matter ultimately came before the Court of Appeal. The Court of Appeal was of the opinion that the use of a trade mark in a comparative advertisement will not constitute trade mark infringement provided the advert complies with Article 3a(1). The Court of Appeal subsequently made a reference to the ECJ on the interpretation of certain provisions of Article 3a(1).

In particular, Article 3a(1) provides that a comparative advertising is not permitted where it takes unfair advantage of the reputation of a registered trade mark (Article 3a(1)(g)) or where it presents the goods or services as imitations or replicas of goods bearing a protected trade mark (Article 3a(1)(h)).

The ECJ held that taking unfair advantage of the reputation of a trade mark occurs where the advertiser rides on the coat-tails of the well-known trade mark in order to benefit from its reputation and the marketing effort expended by the proprietor of the mark without paying any financial compensation and without having to make his own marketing efforts.

With regards to the prohibition of the presentation of goods as imitations or replicas of goods bearing a protected trade mark, the ECJ ruled that this applies, not only to counterfeit goods, but to any imitation or replica. Further, it does not only apply to adverts which explicitly evoke the idea of imitation or replication, but also those which implicitly evoke this idea.

It was not disputed in this case that the comparison lists were marketing the defendant's goods as imitations of goods protected by L'Oréal's trade marks. This was so regardless of the fact that the goods were advertised as an imitation of one of the characteristics of L'Oréal's perfumes, namely the smell, and not the perfumes as a whole. Consequently the advert did not comply with Article 3a(1) MCAD.

The ECJ went on to find in this case that, because the defendants were unlawfully marketing goods as an imitation or replica, any advantage gained through such advertising must be taking unfair advantage of the reputation of the trade mark.

It is clear from this case that if a registered trade mark is used in a comparative advertisement which does not comply with the conditions in Article 3a(1), the a trade mark owner can potentially bring proceedings for trade mark infringement. In particular, trade mark infringement is likely to occur where a well-known trade mark is being used with the intention of “riding on the coat-tails” of the trade mark’s reputation.

The ECJ’s decision is good news for owners of well-known brands, although companies must ensure they register their marks in order to benefit from this protection. However, the ruling is going to make it significantly more difficult for those wanting to compare their goods to well-known trade marked products

FURTHER INFORMATION

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