
Spanish Community Trademark Court: Use of Comparison Lists for the Sale of Perfumes in the European Union

Carolina Herrera Limited, Puig France SAS and Antonio Puig, SA v. Equivalenza Retail, SL and Cataleg de Serveis Integrals, S.L., Juzgado lo Mercantil No 1 de Alicante Commercial Court No 1 of Alicante, Spain) (Resolution No. 20/2014[e1] January 28, 2014)

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The infringement and unfair competition claims were filed in May 2012 by subsidiaries of the beauty fashion group PUIG, namely Carolina Herrera Limited, Puig France, SAS and Antonio Puig, SA (“the Plaintiffs”). The Defendants named were Equivalenza Retail, SL and Cataleg de Serveis Integrals, S.L. (“the Defendants”). Equivalenza Retail, SL sells perfumes in EQUIVALENZA shops and on the EQUIVALENZA website and the Defendant Cataleg de Serveis Integrals, S.L. is a distributor of perfumes.

Although the Defendants did not use any infringing product packaging, EQUIVALENZA customers were provided with comparison lists, which matched each EQUIVALENZA product with a famous trademark that was used for a perfume of an “equivalent” scent through numerical references. These lists included a number of the Plaintiffs’ notorious trademarks such as CAROLINA HERRERA and NINA RICCI and were offered both in stores and on the Defendants’ website.

In analyzing the infringement claim, the court found that the Defendants’ business tactics were not consistent with honest practices and cited the Doctrine of Parasitism, under which infringement occurs where use of a third party’s trademark takes unfair advantage of its reputation and distinctive character. Applying this doctrine, the court considered the high level of notoriety of the Plaintiffs’ trademarks within the perfume industry, and found that the Defendants’ use of the famous trademarks in a manner which linked them to their own perfumes for purposes of presenting them as imitations constituted infringement.

One of the defenses to infringement raised by the Defendants was that their use of the Plaintiffs’ trademarks was purely for descriptive purposes, which is lawful under the *ius prohibendi* limitations (Article 12 of the Community Trademark Regulation and Article 37 of the Trademarks Act). However, the court found that the Defendants’ use was not purely for descriptive purposes because the use was not: (1) necessary to communicate the intended purpose of their products; or (2) descriptive of the characteristics embodying their products, which in this case would be the characteristics of each perfume’s aroma (e.g., by olfactory group such as “floral” or “fruity”).

In upholding the Plaintiffs’ unfair competition claims, the court found that the Defendants’ use of the famous trademarks in comparison lists was a form of unfair comparative advertising and exploited the reputation of the Plaintiffs’ marks, as prohibited under Articles 10, 12 and 18 of the Spanish Unfair Competition Act (3/1991) and under the European Community Misleading and Comparative Advertising Directive (2006/114/EC).

Throughout its decision the court relied heavily on the June 18, 2009 decision by the European Court of Justice (ECJ) in *L’Oréal SA, Lancôme parfums et beauté & Cie SNC and Laboratoire Garnier & Cie v. Bellure NV, Malaika Investments Ltd and Starion International Ltd* (C-487/07, June 18, 2009) (“*L’Oréal-Bellure*”). As in this case, the court had held the Defendants liable for infringement based on the sale of imitation perfumes, some of which were identified with famous trademarks through comparison lists.

Although it may seem that the Plaintiffs' perfumes in this case and *L'Oreal-Bellure* produced distinguishable aromas that consumers would be capable of identifying with a particular source, as in many jurisdictions, the European Union's graphical representation requirements for trademark registration make it impossible to protect smells. In a landmark ECJ decision concerning the protection of a "methyl cinnamate" scent, that court found that the graphical representation requirements cannot be satisfied by offering one or more of the following: a chemical formula, a written description, and/or a scent sample (*Ralf Sieckmann v. Deutsches Patent- und Markenamt*, Case C-273/00, December 2, 2002).