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## Business name rights for foreign companies in China

Mr. Zhenkun Fu and Ms. Brenda Zhao  
from Corner Stone & Partners analyze



CTC Legal Media

**PLUS**

Tish Berard – the 2018 INTA President – discusses key aspects of the 2018-2021 strategic plan, priorities for the year, and the Association's 2018 educational program.



- South American trademark rankings • Italian SCC judgment • Nigerian trademark law
- Trademark protection • Online misuse • Legal protection in China • Fintech market



Francesco Bonini

# “Use it, or you lose it”: The Italian Supreme Civil Court’s (SCC) innovative judgment

Contrary to the ECJ, the Italian SCC stated that the well-known LAMBRETTA mark shall be revoked for non-use. “Effective use” must prevail on the memory of the mark in the consumers’ mind. Francesco Bonini of Studio Bonini, Vicenza, Italy reports.

**D**uring 2017, the Italian Supreme Civil Court (SCC) issued the last instance judgment on the revocation claim against the Italian trademark registrations for the well-known trademark LAMBRETTA.

In the 1960s, two famous brands of Italian scooters, “Vespa” and “Lambretta” were in strong competition with one another. After the 1970’s, Lambretta went progressively out of the market.

The Lambretta trademarks and plants were at last transferred to Scooters India Limited (SIL). This last owner had plans to revive the production of scooters, but they have never become effective.

A few years ago, the Dutch company Brandconcern BV (BC) has registered the trademark LAMBRETTA in Italy as a Community Trademark, planning to re-start production of the scooter and revive the mark.

SIL and BC started a litigation before the Italian IP courts and before the EUIPO-OHIM. Both litigations had the purpose of having SIL’s Lambretta trademarks revoked for non-use.

## Résumé

**Mr. Francesco Bonini, EU Trademark Attorney, Studio Bonini**

Francesco has 20 years experience in Italian and EU trademark and design prosecution. He had successful cases in oppositions, appeals and cancellations both before the EUIPO and the Italian PTO. Studio Bonini, established in 1980, has its head office in Vicenza, in the North-East of Italy. It has helped several companies of the Venetian area to protect their IP rights, dealing with IP prosecution. IP litigation assistance is also provided by a 20 year cooperation with Studio Alberti & Fontana, a specialized law firm (IP and company rights) with successful cases before the Italian IP courts.

The Cancellation proceeding before the EUIPO, although successful at the first instance and on appeal, has been reversed and annulled by the General Court, and then by the European Court of Justice in Luxembourg. On the contrary, the Italian court proceedings had different development and results.

The IP court of Milan, in the first instance, has rejected the revocation claim filed by BC (represented by Alberti & Fontana Law firm). The IP Court ruled that “...well-known status [of the trademark Lambretta], that widens the protection scope, necessarily widens the use of the mark [at that stage for clothing] and preserves it from lapsing [for scooters]”.

With the same legal representatives, BC appealed successfully the Appeal IP court of Milan, which reversed and annulled the first instance judgment. (no. 3376/2013 of 4 September 2013).

Indeed, the Appeal Court stated that “the court of first instance erred in not establishing the date of the ceased use [of the Lambretta mark, which was demonstrated to have happened in 1985].

This term falls under the provisions of the old Italian trademark law, which did not allow the reviving of a trademark after it ceased use for three consecutive years.

Moreover, “a SCC judgment of 1977 ruled that the use of a mark, in order to avoid its revocation for non-use, after the three-year term, could be intermittent or local [...], but in any case, it shall be effective, i.e., it has to preserve the identity of the product and show the presence of the owner in the marketplace”.

As final instance, SIL appealed the Italian SCC; BC was defended by Galli IP law firm and the judgment on the case (26756/2013) was issued on 28th March, 2017.





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The SCC dismissed the appeal of SIL and confirmed the revocation of the Italian trademark registration belonging to it for Lambretta mark: the SCC confirmed all the arguments of the IP Appeal Court of Milan and stated additional notable interpretations.

Interestingly, the Italian SCC stated that “the ratio of the Italian trademark law links the revocation of a mark to its non-use [...] this is in order to avoid prolonged [unjustified] protection of a mark, that is no longer used nor present in the marketplace [...]”.

On the other hand, the consumer can keep memory of a lapsed mark [...] nevertheless, this cannot *per se* prevent a registration, for an identical or similar mark, to be applied for: indeed, it does not lack of novelty, because the earlier mark has lapsed for non-use”.

Notably, SIL raised the argument of BC bad-faith registrations only at the final instance: however, the SCC rejected the argument, given that the lapse of SIL's trademark has already happened and another party is allowed to file an application for the same identical mark LAMBRETTA, for having the exclusive right to use it for scooters in Italy.

## Conclusion

In conclusion, well-known trademarks are not “infrangible” nor “everlasting”, due to their enhanced reputation: it cannot be used as a global shield against revocation nor use for other goods can prevent partial revocation of the well-known mark for other goods.

The SCC stated that “reputation can play an important role in obtaining a trademark protection, but not in its maintenance, which shall always be connected to the “effective” use – that is, a use that has consequences in the marketplace and on the competitors”. Indeed, this has not happened to Lambretta marks, belonging to SIL, which disappeared from the Italian marketplace.

This landmark decision reverses all the Italian previous case-law that was reluctant to even consider that a well-known mark could lapse, but on an incorrect argument basis.

Proprietors of well-known marks are warned: do not be too confident on the reputation of your marks: use them, or you may lose them!

