**Milan court finds trade mark infringement and unfair competition in biscuit-shaped cushions**

Court of First Instance (*Tribunale*) of Milan, *Barilla G and Another v Italy Fashion srl and Anothe*r, decision 830/2018, 25 January 2018

In a decision issued in early 2018, the Court of First Instance (*Tribunale*) of Milan held that producer of pasta and baked products Barilla could oppose the making and marketing of cushions shaped like several of the former’s well-known biscuits.

**Legal context and facts**

Barilla is one of the principal producers of pasta and baked goods in Italy. It owns a rich portfolio of IP rights, including a number of EU and Italian trade marks – as well as a number of distinctive (unregistered) signs corresponding to the shapes of products like its own biscuits *Pan di Stelle*, *Galletti*, *Abbracci*, *Rigoli*, *Mooncake*, *Crostatina*, *Batticuori*, *Ringo*, and *Gocciole*.

In 2013 the main defendant, Italy Fashion, approached Barilla with a proposal of collaboration that would consist of working together, initially to create cushions shaped like Barilla cookies and eventually all Barilla products, including pasta-shaped cushions. Although Barilla eventually decided against such collaboration, Italy Fashion decided to launch the project, and began making, advertising (including on two distinct websites), and commercializing such cushions, which reproduced the shapes of Barilla biscuits and carried the same signs owned by Barilla as trade marks. Following a cease-and-desist letter by Barilla, Italy Fashion slightly changed the names of its products. So, for example, the ‘Pan di Stelle’ cushion became ‘Pandistelloso’, the ‘Abbracci’ cushion became ‘Abbraccioso’, and ‘Rigoli’ became ‘Rigoloso’.

In 2014 Barilla brought an action before the Milan court, claiming that with the defendant’s behaviour had resulted in an infringement of both its trade mark rights and rights in other distinctive signs (notably the unregistered shapes of its own biscuits). Barilla also claimed that the defendant had committed acts of unfair competition (including parasitic unfair competition) within the meaning of Article 2598 of the Italian Civil Code.

In turn, the defendant resisted all claims, and advanced a number of counterclaims. First, it held that the shapes of its own cushions resembled shapes that are common in the bakery sector and over which Barilla could not claim exclusive rights. According to Italy Fashion, the shapes of Barilla’s cookies would not be distinctive *per se*: consumers would rely on the packaging of the cookies – rather than their shape – to associate the products with the Barilla trade marks. Secondly, the defendant claimed that Barilla’s trade marks are not registered in Class 24 of the Nice Classification for textiles and, since they are not well-known trade marks, they could not enjoy the strengthened protection for well-known trade marks. Finally, it claimed that Barilla itself had acted contrary to the principles of fair competition in that, following the refusal to enter a collaboration with Italy Fashion, it had launched a contest in which the prizes consisted of cushions shaped like its own biscuits.

**Analysis**

The Milan court dismissed the defendant’s arguments, and ruled in favour of Barilla. The decision does not really consider the claims by Barilla regarding its alleged rights over unregistered distinctive signs, eg the shapes of its own biscuits. Instead, it focuses on the claims of trade mark infringement and unfair competition.

More specifically, the court found that the defendant had infringed Barilla’s EU and Italian word marks by commercializing its products under identical signs and – further to Barilla’s cease-and-desist letter – under slightly modified signs, eg ‘Pandistelloso’, ‘Abbraccioso’, ‘Rigoloso’, etc. The infringing use of the claimant’s signs was found in relation to the labelling of the cushions, their commercial name, but also metatags, search engine keywords, domains names, and social media ‘hashtagged’-terms.

With regard to the online use of sigs identical to Barilla’s trade marks, the Court recalled relevant case law of the Court of Justice of the European Union (CJEU) – including the decisions in: *L’Oréal,* C-487/07, EU:C:2009:378; *Google France*, C-236/08 to C-238/08, EU:C:2010:159; *Portakabin*, C-558/08, EU:C:2010:416; and *Interflora*, C-323/09, EU:C:2011:604 – and engaged in a discussion of the functions of a trade mark. It concluded that in the present case the online use of signs corresponding to Barilla’s trade marks was aimed at exploiting parasitically, ie ‘to ride on the coat-tails of’, the reputation and prestige of the trade marks at issue, as well misleadingly suggesting the existence of an association with Barilla.

The court also dismissed the argument that Barilla’s trade marks would not be well-known and therefore the claimant could not object to the use of identical or similar signs in relation to dissimilar goods. It held that the meaning of ‘well-known’ is not synonymous with ‘famous’ (‘celebre’), that Barilla’s trade marks should be considered well-known within the meaning of Article 20(c) of the Italian Industrial Property Code (Legislative Decree No. 30/2005), and that the defendant’s behaviour had resulted in the taking of an unfair advantage of their repute. The court noted that the defendant had copied all the fanciful aspects of Barilla’s cookies, including shapes, colours, and all non-substantial elements.

The court also found that the defendant’s behaviour amounted to unfair competition within Article 2598 of the Italian Civil Code. In sum, the Court found the defendant liable on all fronts, and ordered it to pay damages for EUR 150,000, as well as covering the costs of litigation.

**Practical significance**

Although at the time of writing the judgment may be still appealed, the decision of the Court of First Instance of Milan is not surprising. With regard to the trade mark assessment, the court applied the principles set by the CJEU in its body of case law correctly, also with regard to the online use of the signs and the analysis of the functions of a trade mark.

It would have been interesting and relevant for the court to engage in a discussion of the protection available to non-registered distinctive signs, as the law in this area is not entirely clear. In this sense, the judgment is a missed opportunity.

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