



# Emerging legal issues in conflicts between GIs and trade marks

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# Cases

## *Nero Champagne*

TM containing PDO for goods that meet the specifications of the PDO and services that relate to such goods



**#GC #EUIPO Guidelines**

## *Champagne Toast*

Broadening scope of protection of wine PDOs to body care products

**#reputation #directuse  
#bodycare**



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# Direct commercial use + exploitation

Art. 103(2)(a)(ii) of Reg. (EU) No 1308/2013



# Use / Vinotherapy

Mental association stems from a frequent use of wine and of polyphenols from grapes in body care goods and in beauty treatments



## La Vinoterapia e il Benessere Naturale delle Uve rosse della Valpolicella.

I preziosi **Vini Tommasi** conservano un segreto per la vostra Bellezza. Valpolicella ed Amarone danno vita ad una Collezione Cosmetica e Dermatologica. Il segreto della **Vinoterapia** è il polifenolo **Resveratrolo**, una sostanza presente nelle uve rosse indigene e quindi nei **Vini Classici della Valpolicella**.



# Misleading use

Misleading indications on essential qualities

Art. 103(2)(c) of Reg. (EU) No 1308/2013





# 20.07.2023 Court of Rome, R.G. 74753/2022

Decision on interim proceedings

In line with the case law, the **differences between the products** relied on in the case and the ones covered by the PDO does **not** appear to be a **relevant aspect**

The defendant, by marketing products whose name includes the term "Champagne", knowingly **exploited the undeniable attractiveness** of the well-known wine in order to **gain an economic advantage**

Even though no trace of Champagne wine seems to be identified among the ingredients, the description on the labels appears to lead the average user to believe that **some of the ingredients actually come from Champagne wine**, evoking its flavors and characteristics.

Use of the term "Toast" [...] or the use of phrases in product descriptions clearly refer to Champagne wine, such as "A sparkling fragrance" or "bubbles of champagne" or "effervescent berries".



**Broadening scope of protection of wine PDOs to body care products**

**Injunction + penalty**

**Prohibition to produce, market, import, export and promote any product of the "Champagne Toast", "Champagne Margarita", "Champagne Apple and Honey" and "Cotton Candy Champagne" collections**

**Penalty of not less than EUR 10,000 for each day of delay in the execution of the injunction**



# 29.08.2023 Court of Rome, R.G. 37954/2023

Decision on appeal in interim proceedings

*The use of the PDO CHAMPAGNE to designate even non-comparable products **undoubtedly gives rise to that evocation** which the legislation is intended to counteract, not least because of the particular reputation of the PDO in question.*



**Confirmation of decision of first instance**

**All products immediately removed from the Italian market + reimbursement of € 11.057,02**

**Possible future proceedings on the merits**

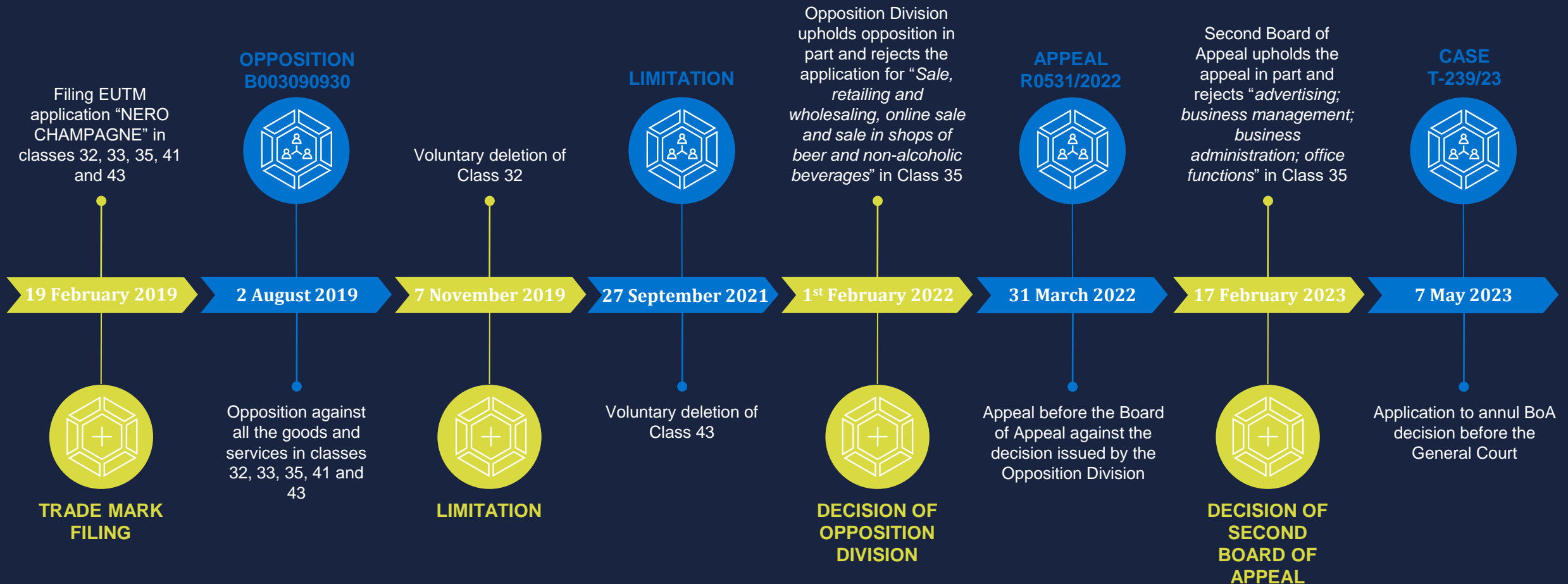
# NERO CHAMPAGNE



# NERO CHAMPAGNE

EUTM no. 018024731

## Timeline



# T-239/23 NERO CHAMPAGNE



First time that the GC is called upon to decide on a TM application for goods that meet the specifications of the PDO and services that relate to such goods

**33** Wine complying with the specifications of the protected designation of origin "Champagne".

**35** Sale, retailing and wholesaling, online sale and sale in shops of wine bearing the protected designation of origin "Champagne"

**41** Education, providing of training, entertainment, cultural activities; Publication of texts (other than publicity texts), illustrations and periodicals, including electronic and digital publications, publication of CD-ROMs, books, journals, trade journals, newspapers, magazines and publications of all kinds (other than for publicity purposes) and in all forms, including electronic and digital publications; Providing electronic publications online (not downloadable); Videotape production; Arranging of colloquiums, seminars, workshops, conferences, congresses and training courses for cultural or educational purposes, organisation of professional or public exhibitions and shows for cultural or educational purposes; Publication of books; Electronic desktop publishing; Party planning; organising of training programmes; Arranging of competitions and games (education or entertainment); Public presentation of visual and literary works of art for cultural or educational purposes; Wine-tasting events for educational purposes; Teaching and providing of training relating to commerce, industry and information technology; Arranging and conducting of colloquiums, congresses, conferences, seminars and training workshops for commercial and/or advertising purposes; All the aforesaid services being intended to present and promote wine bearing the protected designation of origin "Champagne".

## T-239/23

Applicants: **Comité Champagne and INAO**

Defendant: **EUIPO**

Other Party: **Nero Lifestyle S.r.l.**

Interveners: **oriGIn, Italian Republic and French Republic**

# T-239/23 NERO CHAMPAGNE

What did the Second Board of Appeal say right:



A EUTM application containing a PDO/PGI must be rejected if any of the situations under Article 103(2) of Reg. 1308/2013 apply e.g. exploitation of reputation



NERO CHAMPAGNE includes the earlier PDO CHAMPAGNE in an identical form and in its entirety

Article 103(2)(a) of Reg. No 1308/2013 is fulfilled



Article 103(2)(a)(ii) of Reg. No 1308/2013 offers **broad** protection that can be invoked against both goods and services



PDO CHAMPAGNE holds exceptional reputation: signifying excellence, prestige, and celebration, a fact supported also by case law

# T-239/23 NERO CHAMPAGNE

## Incorrect reasoning of the BoA

1. Because of the limitation of the goods and services, Art. 103(2) of Reg. 1308/2013 does not apply
2. BoA incorrectly relied on Article 102(1)(a): a trademark containing or consisting of a PDO or PGI, **which does not comply with the product specifications** or falls under Article 103(2), and relates to a product falling under certain categories, must be refused

### BoA did not consider different scope of art. 102(1) vs. 103(2)

#### Absolute grounds, art. 102(1)

Narrower scope: applies only to trade marks for a product falling under one of the categories listed in Part II of Annex VII

**Or** trade marks whose use falls under Art. 103(2)

#### Relative grounds, art. 103(2)

Cover all comparable and non-comparable products and services. Incorrect to interpret 103(2) in the light of 102(1)(a). The scope differs.

# T-239/23 NERO CHAMPAGNE

## Diversion of the essential function of a PDO

This is not a case of  
use of the PDO as a  
PDO but of use as a  
trade mark



CHAMPAGNE appears twice on the product label: first as a PDO and then as a trade mark

The BoA failed to evaluate whether the use of a **word** mark such as "NERO CHAMPAGNE" could be regarded as **use as a trade mark** and the consequent exploitation.

It failed to consider that a PDO is an instrument **of public policy** (in the context of rural development and agriculture) and a **collective right** of agricultural operators.

# T-239/23 NERO CHAMPAGNE

## Article 103(2)(c) of Reg. (EU) 1308/2013

BoA disagreed that the word NERO could mislead EU consumers with basic knowledge of Italian into believing the Champagne wine was a new type of (black) Champagne or made exclusively from black grapes, contrary to the prescribed "Blanc de Noirs" designation



Then how will the public regard the word NERO?



Not as trade mark + a PDO



A coherent logical and conceptual unit

NERO qualifies CHAMPAGNE

*“Remember gentlemen, it's not just  
France we are fighting for, it's  
Champagne.”*

Sir Winston Churchill

Thank you