

Brand Protection - Recent Developments

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There are two new developments that can assist you in stopping unauthorized distribution of your products and in fighting imitations of your products. Here is a summary.

UNITED STATES - REMOVAL OF YOUR PRODUCT IDENTIFYING INFORMATION FROM PACKAGING IS A VIOLATION

Do you have situations where your own genuine products are being sold in unauthorized stores with the bar code or UPC on the package defaced, erased or disabled? The Second Circuit Court of Appeals has ruled that this is a trademark violation.

The name of the case is *Zino Davidoff v. CVS Corporation*. Davidoff is the well-known maker of colognes and perfumes. It sells Davidoff Cool Water cologne. Davidoff places a UPC (Unique Production Code) on its packaging and bottles which contains information about the manufacture of the product, the date of production, etc. Davidoff generally sells only to luxury stores and selected merchants.

CVS was selling gray market Davidoff colognes which it obtained outside Davidoff's distribution channels, since Davidoff does not sell direct to CVS. Some of the Davidoff products sold by CVS were counterfeit, but most were gray market products, which are generally obtained from overseas distributors. There were 16,000 gray market products ---all had their UPC codes removed, either by using chemicals to erase the UPC, cutting a portion of the box that contained the UPC or even grinding the bottom of the cologne bottle. Gray marketers often erase production codes or serial numbers so that the manufacturer will not be able to trace the supplier of the product.



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On June 19, 2009 the Court held that the defacing of the UPC was a trademark violation even though the cologne was genuine. It was a trademark violation because the UPC served two important purposes: (1) it enabled the detection of counterfeit products, and (2) it improved Davidoff's quality control because it contained information about the manufacture of the product and it enabled Davidoff to conduct a recall in the event of a problem with the product. Accordingly, CVS was not permitted to sell these Davidoff products.

If your products are being sold in unauthorized locations or on the internet with their bar code information removed, please contact us for advice on how this can be stopped.

NEW LIMITS ON IMITATIONS IN EUROPE

Do you have a problem with generic imitators of your products who say that they are cheaper versions of your product or who compare themselves to your product? There is a new way to stop these imitators if occurring in Europe.

On June 18, 2009 the European Court of Justice ruled in favor of L'Oreal in a lawsuit L'Oreal had filed suit against imitators of its perfumes. These were not counterfeits; they were imitations that said "Compare to Anais-

Anais perfume" or "Compare to Noa perfume." Consumers were not confused into thinking that the imitation perfumes were genuine perfumes.

The European Court of Justice said that an advertiser who states in comparative advertising that his product is an imitation of a well-known, trademarked product violates trademark law by taking a "free ride" on the coattails of the well-known trademark.

Accordingly, if your product is being imitated in Europe by generic products that present themselves as imitations of your products, you may be able to stop them with this ruling. Burns & Levinson has relationships with European counsel to assist with this area of law, so please do not hesitate to contact us for more information.

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For questions regarding this IP Update, please contact Mark Schonfeld at 617.345.3329 / mschonfeld@burnslev.com.

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