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Richmond Saga: Season 3.0

Previously, on the "Richmond Saga", we left our readers on pins and needles awaiting the decisions of the Court of Milan (on the infringement of John Richmond trademarks) and the Court of Appeal of Rome (on the invalidity of the trademark "Richmond Cafè") registered by a company owned by one of Mr. John Richmond's former partners.

For those who missed the previous seasons, the background of this complex and wide-reaching litigation are provided in our previous articles, found on Lexology at: Season 1.0 and Season 2.0.

Nobody likes a spoiler, so go check them out before moving ahead!

The decision of the Court of Milan

Background

At the end of Season 2.0, the Court of Milan had issued a partial decision finding that the trademarks "John Richmond" and "Richmond" had been infringed, along with the violation of Mr. Richmond's rights in his name and of his copyright on drawing entitled "Sex, Drugs…Rock'n Roll". Finally, the Court of Milan held that the defendants'activities constituted acts of unfair competition and granted the plaintiffs' request for relief (injunctions, penalties, etc.).

The decision

This partial decision was followed by the closing and final decision, published on March 27th, 2023, in which the Court of Milan addressed the outstanding issues (request for publication of the decision in newspapers and fashion magazines, and an award of legal fees), again upholding the plaintiffs' requests for relief.

In the March 27th decision, the Court of Milan provided guidance on several principles that are particularly relevant, on the topics of civil procedure, bankruptcy law and intellectual property law.

Indeed, the Court first stated that, for the waiver of a claim to be valid, it is not necessary that the opposing parties expressly accept such waiver, as it is a procedural choice of the claimant, which they are free to make. Furthermore, even though the waiver of a claim can, generally speaking, impact the allocation of any reimbursement of legal costs between the parties, in the case at issue the Court of Milan held that the waiver of claim did not have any impact on the award of legal fees because the compensation-related claims were only waived due to the fact that all of the defendants had entered into bankruptcy.

With reference to the plaintiffs' request for an order to publish the decision in newspapers and/or magazines, the Court held that this is a measure that is independent from the claim for compensation for damages, since it aims to draw the public's attention to the reinstatement of the infringed right.

This decision was just recently appealed; thus, we will have to sit tight and wait to see what Season 4.0 might offer!

The Court of Appeal of Rome

Background

In this case, Season 2.0 ended with the owner of the trademark registration for "Richmond Cafè" filing an appeal against the decision of the Court of Rome, which had declared the aforementioned registration invalid.

The appeal decision

The Court of Appeal of Rome soundly rejected the appeal filed by the company owned by Mr. Richmond's former business partner.

First of all, the Court rejected the preliminary grounds of appeal, regarding Mr. Richmond's alleged lack of standing to file the action before the first instance court, since the challenged mark did not incorporate his full name. Of interest, the Court of Appeal clearly stated that it is possible for a trademark that contains only a surname to be considered a patronymic trademark. As a result, the Court of Appeal held that Mr. Richmond did have standing to pursue the action against "Richmond Cafè", which clearly referred to his name.

Moreover, the Court of Appeal found that the John Richmond trademarks are well-known and that, therefore, they enjoy a broader range of protection, which extends to goods/services beyond those

for which the trademarks had been registered. It is worth emphasizing that the Court of Appeal of Rome correctly referred to CJEU decision C-357/97 (General Motors), holding that one must assess the well-known character of a trade mark from the point of view of the public that is interested in that type of product, and not the public at large. In the present case, the relevant public was identified as the public of the fashion industry, who were found to know the Richmond trademarks very well.

Finally, the Court of Appeal held that the registration of the "Richmond Cafè" trademark both takes unfair advantage from Richmond trademarks and has caused unfair detriment to the same.

Indeed, as to the unfair advantage, the Court of Appeal held that "Richmond Cafè" clearly exploited the prestige of the Richmond trademarks, amounting to an act of free riding.

On the other hand, the Court determined that the registration of the mark "Richmond Cafè" was clearly detrimental to Richmond trademarks, as it prevented the owners of the portfolio from expanding their activities into the hotel, restaurant and, more generally, entertainment sectors. In this sense, moreover, the Court held that it was irrelevant that the owners of Richmond trademarks had not yet made use of them in those sectors, since "*a non-hypothetical future risk*" was correctly considered sufficient for the purposes of declaring the trademark at issue invalid.

The decision issued by the Court of Appeal of Rome was not appealed by the losing party before the Italian Supreme Court, so it can be considered final.

Final Season

We are now approaching the end of the Richmond Saga, though it is not yet completed. In addition to the appeal of the Court of Milan's decision above, there are ongoing proceedings relating to "RICH" trademarks, which the Court of Milano should opine on soon, and for the compensation of damages, which is pending before the bankruptcy section of the same Court. However, for these last insights, we must wait for the next season, here on Lexology.