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Revocation for Non-Use of the Historical Famous LAMBRETTA Trademark for Motorcycles

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Following the Court of Justice decision that "saved" the 2002 EU LAMBRETTA trademark from a decision of partial revocation for non-use rendered by the EUIPO Opposition Division[1], on 28 March 2017, the Italian Supreme Court ordered the revocation for non-use of three LAMBRETTA trademarks registered before the Italian Trademark Office in 1948, 1968 and 1969 respectively[2].

Background

LAMBRETTA had been one of the most well-known brands in the Italian automobile and scooter industry since the World War II. Use of the LAMBRETTA trademarks by the original owner (Innocenti) ceased in 1971, when the new owner of the company's rights (Scooters India Ltd) moved the production facilities to India, exporting the motorcycles back to Italy only until 1985.

In 2008 the Dutch company Brandconcern BV filed a lawsuit before the Court of Milan against 'Scooters India' requesting the Court to order the revocation for non-use of the old Italian LAMBRETTA trademarks. According to the claimant these trademarks had not been used by the defendant in relation to scooters since 1985 when importation to Italy of these motorcycles ceased.

Scooters India opposed the claim for revocation raised by the adversary essentially claiming that (i) the use of the LAMBRETTA trademark had resumed in 2002, although not in relation to motorcycles; (ii) the LAMBRETTA trademark was still renowned and, in these circumstances, this should have prevented the revocation for non-use.

In the first instance proceedings, in 2010, the Court of Milan held that although use of the trademark had ceased, the fact that the new owner resumed use in 2002 was an indication of the company's intention to take advantage of the historic value of the old LAMBRETTA mark (although the use was not for motorcycles) and hence the Court did not allow the revocation for non-use.

The Milan Court of Appeal reversed the decision, finding that termination of use had occurred in 1985, long before the Italian legislation implementing the EU Trademark Directive 89/104 CE (D.lgs. No. 480/1992) entered into force. This was particularly relevant since under Italian law in force at that time (R.D. No. 929/1942) the renewed use was insufficient to counteract the revocation of a trademark, which had occurred in the meantime due to continuous non-use for three years. The applicability to the case at issue of the 1942 provisions was imposed by a transitional

provision that prevented the application of the new 1992 scheme to trademarks that had lapsed before the 89/104 Directive entered into force. In light of the above, the Milan Court of Appeal ordered the revocation for non-use of the trademarks at issue without taking a position on the relevance and effects of the renewed use of a trademark for products dissimilar to those originally manufactured by the trademark owner nor on the relevance of the possible on-going reputation of the trademark.

Supreme Court Decision of 28 March 2017

Scooters India Ltd referred the case to the Italian Supreme Court, which, in confirming the decision of the Court of Appeal, also rebutted the arguments raised by Scooters India Ltdthat the on-going reputation of the LAMBRETTA trademarks would have prevented their revocation for non-use.

According to the Supreme Court, the complete loss of distinctive character or reputation cannot be considered as a requirement for a trademark to be revoked for non-use. Firstly, because such a requirement is not provided for by the relevant law (former Article 42 of the Trademark Law of 1992, current Art. 24 of the Italian Industrial Property Law). Secondly, because the *ratio* behind the revocation for non-use is to avoid a protracted monopoly on a certain trademark where the trademark is not effectively used on the market and, precisely for this reason, when the revocation for non-use is ordered, the sign becomes free to be used by anybody.

The Supreme Court seems to share the view that reputation is not merely an abstract element but rather a quality attached to a trademark, such that the trademark must be 'effectively' used on the market in order for it to remain valid.

- [1] See Brandconcern BV v. EUIPO and Scooters India Ltd, case C?577/14 P.
- [2] See Italian Supreme Court, No. 7970/2017.

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