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Is it possible to use a well-known trade mark to promote a contest?

Carolina Pina (Garrigues) · Tuesday, September 3rd, 2019

What are the limits as regards the use of a well-known trademark to promote a contest? In two similar circumstances, two Spanish courts have reached different conclusions. In this article, we will analyze the circumstances of the legal proceedings and the dissonant approach taken by the Spanish courts:

- INDITEX v BUONGIORNO

In this case, the Madrid Court of Appeal (Decision No. 289/2018) held that the use of the trademark "ZARA" by a third party to promote its products in a contest did not constitute trademark infringement.

INDITEX sued Boungiorno Myalert S.A. ("**BUONGIORNO**") on the grounds of trademark

infringement and unfair competition. INDITEX claimed compensation of (i) €84,000 on the basis of trade mark infringement and, (ii) €308,000 for the damage caused to the prestige of its brand.

BUONGIORNO used INDITEX's well-known trademark ZARA to promote its products and services by organizing a contest in which participants were required to subscribe to BUONGIORNO's services. The prize – a €1,000 ZARA gift card-displayed the ZARA trademark inside a rectangle evoking a real ZARA gift card.

In accordance with the decision INDITEX did not submit evidence to support that the functions of its trademark had been negatively affected. The Court concluded that this evidence was required in order to appreciate trademark infringement, even in the case of well-known marks. In the absence of such evidence, the Court held that the ZARA trademark had not been infringed.

- BIMBO v NATEXO

Conversely, in a very similar case the Barcelona Court of Appeal (Decision No. 423/2018), held that trademark infringement had indeed taken place.

In this case, Bimbo S.A. ("**BIMBO**") sued Natexo Spain S.L., Natexo France Societé Responsabilité Limitée Unipersonnelle ("**NATEXO**") on the grounds of infringement of its well-known BIMBO trademarks.

NATEXO organized three contests in order to obtain the personal data of participants. The prize for winning the contest was an assortment of BIMBO products.

The Court found that the defendant's use of BIMBO's trademarks was unfair. It held that NATEXO's use of the mark appeared to imply that the competition was organized by BIMBO, or at least sponsored by BIMBO. The Court thus concluded that NATEXO had used BIMBO's reputation to attract contestants to obtain their personal data.

In relation to fair use, the defendant did not submit any proof or argument to support such use. As a result, the Court was not satisfied that fair use of the mark had been made and consequently ordered NATEXO to provide compensation to BIMBO of €56,000.

Conclusion

The use of a third party trademark to promote a contest in Spain must be carefully considered since it could be found to amount to trademark infringement.

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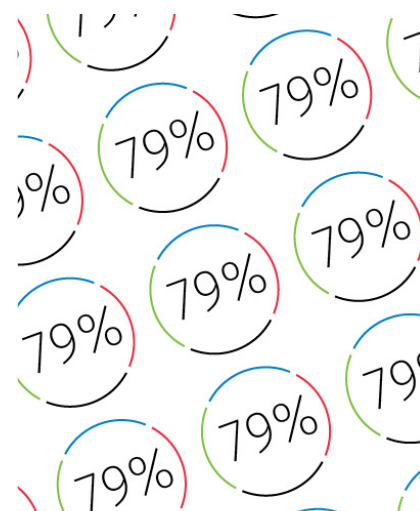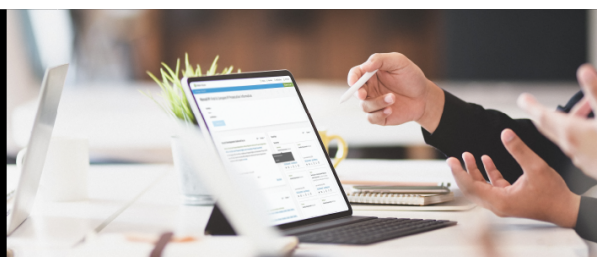
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