

# JACOBACCI

AVVOCATI • AVOCATS A LA COUR • ABOGADOS

## **The Court of Rome on marks including superlatives and the consequences of bankruptcy of a defendant, while the trademark case is still pending**

On November 28, 2019, the Court of Rome issued a ruling in a trademark related dispute, the content of which is interesting from both a trademark and bankruptcy law perspective.

In the decision at hand, the Court upheld the plaintiff's claims, including *inter alia* the plaintiff's trademark infringement and the defendant's trademark invalidity, as well as the payment of the legal fees and the award of damages.

From a trademark law viewpoint, the decision is of interest because it takes a stance on the theme of marks including superlative or laudatory terms, which doctrine and case law view as signs endowed with a weak distinctive character.

In this case, the Court found the infringement of the plaintiff's earlier mark, taking into account that besides the superlative prefix - identical - the defendant's trademark also shared other distinctive features with the plaintiff's (both marks consisting in the same number of words, including a similar number of letters, sharing both their initial and final part, etc...).

Besides the holder of the infringing mark, the other defendants were the seller of the goods branded with the challenged mark and the Italian importer of the products. The latter entered into bankruptcy proceedings before the Court of Rome issued the decision. Therefore, the proceedings were stayed, pursuant to art. 299 *et. seq.* of the Italian Civil procedure Code - a rule that can be compared to the s.c. automatic stay, provided for by Section 362 of the U.S. Bankruptcy code.

In Italy, it is possible to resume the stayed court proceedings, by summoning the bankrupt company. The plaintiff did so, thus the trial continued, ending with the ruling upholding the plaintiff's claims.

In the ruling, the Court of Rome declared the inadmissibility of the monetary claims against the bankrupt party, applying articles 52 and 93 *et seq.* of the Italian Bankruptcy Law, providing that any monetary claim against a party in bankruptcy proceedings must be made within the latter proceedings. Indeed, the bankruptcy Court has jurisdiction over any allegation that the subject undergoing bankruptcy owes any sum to anybody. This aspect is common to other jurisdictions too, as it is the expression of the need to concentrate monetary claims in one forum, as a means for protecting creditors.

Italian law is peculiar in that monetary claims against the subject in a trial pending before the start of that same subject's bankruptcy proceedings may be severed from non-monetary claims in that same pending trial.

In the case at hand, the Court of Rome thus only condemned the other two defendants to the payment of legal fees and damages in favor of the plaintiff.

On the other hand, the Roman Judge pointed out that the injunction granted over the use of the challenged trademark extends to all of the defendants, thus including the importer, as it is not a monetary claim.