

## **Insights provided by the recent Italian decisions on the “RICH” trademark**

Fashion disputes are quite common nowadays, especially after the end of commercial relationships between designers and companies or, more generally, their former business partners. The Italian judicial landscape is dotted with these disputes (Gai Mattiolo, Elio Fiorucci, *etc.*) and often the decisions issued by Italian Courts provide interesting insights in the area of trademark law and how procedural tools may be best utilized by the parties.

Within this context we find the ongoing dispute relating to the ownership and use rights of trademarks regarding the name and brand of the renowned British fashion designer, Mr. John Richmond, against his former business partner, an Italian individual that acted through a series of Italian companies. This article will focus on a number of disputes that have arisen in relation to the latter’s Italian trademark registration for the word “RICH”, and on four interlocutory decisions issued by the Courts of Milan and Naples over a 5-year period, from 2016 to 2021.

### ***Background***

As is well known from Italian and International press, following the assignment of the John Richmond trademark portfolio and related domain names to a new company at the end of 2015, a highly publicized court battle between the former (*latu sensu*) business partner and the assignees arose in relation to who has ownership of, and thus the right to use, the marks contained in the portfolio.

Even though the greater John Richmond saga is still ongoing before several Italian courts, some of the decisions issued in interlocutory proceedings related to the trademark “RICH” have offered interesting insights. These cases relate to the Italian registration for the word “RICH”, which was registered in 2003 by the designer’s former business partner, and held in the name of his company, separately (just from a formal point of view) from the “official” trademark registrations in the John Richmond brands portfolio.

The dispute over the trademark “RICH” first arose out of decision that was issued in response to an application for preliminary measures issued in 2016 by the Court of Milan, which had prevented Mr. Richmond’s former business partner (and his companies) from using the trademarks “Richmond”, “John Richmond” and similar.

In light of this decision, the former partner and his companies attempted to legitimize their actions by asserting the trademark registration for “RICH”. Therefore, between 2016 and 2017 the current owners of the John Richmond trademark portfolio acted again before the Court of Milan, in proceedings on the merits, requesting the Judge to declare the “RICH” trademark null and void.

Furthermore, in 2017, in the context of these proceedings on the merits, the owners of the John Richmond trademark portfolio applied for preliminary relief, requesting the judge to issue an

injunction prohibiting the use of said trademark, on the grounds that it constituted infringement of its own trademarks.

### ***The decision of the Court of Milan***

While the Court of Milan, acting as a first instance court, denied the injunction because the request lacked one of the two requirements for a PI in Italian practice (referred to as the *periculum in mora*, *i.e.* urgency due to the fact that the right holder will suffer irreparable harm if made to wait for a decision on the merits), on appeal (the so-called “*reclamo*”) before a panel of three judges, the Court of Milan granted the injunction.

In particular, the Court of Milan, acting as a second instance court, first determined that the urgency requirement had been satisfied, identifying a progressive escalation of the infringement due to a recent, massive commercialization of the infringing goods.

Therefore, the Judges examined the other requirement for issuing a PI: the *fumus boni iuris* (*i.e.* the *prima facie* merits of the claim).

Noting that the John Richmond marks that were asserted by the claimants were valid, the Appeal Panel also examined the invalidity of the “RICH” trademark on the grounds of lack of novelty under article 12 of the Italian Intellectual Property Code. In Italian practice, a PI judge can only determine the invalidity of the mark in question on an incidental basis, leaving a definitive decision on validity to the proceedings on the merits. In comparing the challenged mark and the John Richmond trademarks, the Court, following well-established case law, focused on the initial part of the “RICHMOND” trademark (*i.e.* RICH) and attributed particular importance to the phonetic aspect, stating that because in both signs the accent fell on the letter “I”, there would be a strong link in the consumer’s mind between these marks, therefore enhancing the risk of confusion.

In light of the above, the Court of Milan overturned the first instance decision, and issued an injunction against the use of the mark RICH as infringing the John Richmond trademarks. Further, the respondents’ trademark “RICH” was declared incidentally void for lack of novelty, under article 12 of the Italian Intellectual Property Code.

The case on the merits, with a request for a declaration that the trademark “RICH” is definitively invalid, is still ongoing before the Court of Milan.

### ***The decisions of the Court of Naples***

In 2020, following a wave of other disputes between the parties, the company that owns the trademark “RICH”, which had meanwhile been declared bankrupt, filed an application for preliminary measures before the Court of Naples, requesting the Judge to prohibit the current owners and licensees of the “John Richmond” trademark portfolio from using the sign “RICH”. Among other interests at stake, one licensee of the trademark portfolio had been using the sub-brand RICH JOHN RICHMOND, for the production of shoes, for an extended period of time.

In particular, the applicant company, despite the PI order issued by the Court of Milan (discussed above), claimed infringement of the “RICH” trademark and attempted to prove the urgency requirement was satisfied by arguing that there was a third-party company seeking an assignment or license to the rights in “RICH”. In addition, the applicant argued that said third-party offer was conditioned on the absence of any dispute regarding the invalidity or infringement of the trademark.

Despite the fact that Italy is a civil law system, the Court of Naples heavily relied on the 2017 PI decision issued by the Court of Milan finding the “RICH” mark to be invalid on an incidental basis, essentially deeming it to be determinative for the action before it (or at least particularly persuasive), and thus dismissed the PI application.

In doing so, the Court also excluded the alleged element of urgency, noting that the owner of the disputed “RICH” trademark was a company in bankruptcy, which did not assert any intention to use or to license the trademark at issue, and instead merely declaring that there was a company interested in obtaining a license.

As expected, the applicant filed an appeal (“*reclamo*”) against this decision to the Court of Naples, where a Panel of three judges heard the appeal and rejected it in October 2021.

In particular, the Panel rejected the *reclamo* on the basis of the absence of urgency. Indeed, the Court clearly stated that, in light of the injunction issued by the Court of Milan in 2017, even an order that would prevent the current owners of the “John Richmond” trademarks portfolio from continuing with the marks in use would not be capable of reviving the applicant’s ability to use or exploit the trademark “RICH”, even for assignment or licensing purposes.

### ***Conclusion***

These decisions outline several principles that are applicable to trademark disputes, particularly those that play out in interlocutory proceedings.

Indeed, in 2017, the Court of Milan (on appeal) emphasized the importance of the phonetic comparison between confusingly similar signs, thus strengthening the evaluation of elements such as the accents of the words that are under examination.

On the other hand, in 2020, the Court of Naples, while acting as first instance court, clearly adopted a common-law approach, significantly relying on the decision issued by the Court of Milan. Furthermore, when addressing the *reclamo* at the end of 2021, its decision indicated that the urgency requirement for interlocutory relief was not met by a bankrupted company which, indeed, had already been ordered not to use the registered trademark it sought to assert in the PI proceedings.

This complex set of decisions, which represent only a small fraction of the proceedings brought before several Italian Courts in relation to the John Richmond trademark portfolio, clearly provides interesting elements and, in light of the ongoing cases, further insights are likely to emerge.