

EIP

Losing the Right to Use Your Own Name – The Cipriani Saga

In October 2008 a factually complex trade mark infringement and passing off case, involving the interpretation of agreements under Italian Law, came before Mr Justice Arnold (*Hotel Cipriani SRL & Ors v Cipriani (Grosvenor Street) Ltd & Ors* [2008] EWHC 3032 [Ch]). In very brief summary the Claimants sought to restrain the Defendants from use of the name **Cipriani London** in association with the Defendant's London restaurant. The claim was for passing off and infringement of Hotel Cipriani Srl's Community Trade Mark No. 115824 ("the CTM") for the word **CIPRIANI** which was (and is) registered in respect of various goods and services including hotels, hotel reservation, restaurants, cafeterias, public eating places, bars, catering; delivery of drinks and beverages for immediate consumption.

The factual history behind the dispute starts as early as 1931, when Giuseppe Cipriani senior opened the now world renowned "Harry's Bar" in Venice. Following the success of Harry's Bar other establishments were opened by or with the Cipriani family, including the Locanda Cipriani and the Hotel Cipriani, both of which left the Cipriani family's control in the 1970s. The Cipriani family has continued in the hospitality industry, with additional hotels and restaurants around the world. This expansion included the aforementioned restaurant Cipriani London. The companies associated with the Locanda Cipriani and the Hotel Cipriani have also continued to globally expand their Cipriani based brands. As one might well expect this parallel expansion and separation of ownership has led to a number of legal disputes over the right to use the Cipriani name.

After 243 paragraphs, Mr Justice Arnold concluded that the use of the signs "Cipriani" and "Cipriani London" in Cipriani London were infringements of the CTM pursuant to Article 9(1)(a) and Articles 9(1)(b) of Council Regulation 40/94/EC (now codified as Council

Regulation 207/2009/EC of 26 February 2009 "the Regulation"), and the Defendants had no defence under Article 12(a) of the same. The Defendants had counterclaimed for invalidity, but this claim failed. The first defendant was also found liable for passing off. An injunction was stayed pending the Defendant's Appeal, but came into force on 24 April 2010.

Subsequent to these events, the First Defendant in the 2008 action changed its name to "Fred Ltd" and the name of the restaurant in dispute was changed to "C London". The Cipriani family's group of companies also opened a new restaurant in London called "Downtown Mayfair".

Between May 2010 and December 2011, the words "by G Cipriani" appeared on the windows and menus of C London, and from November 2011 to December 2011 on the Windows of Downtown Mayfair. The Claimants in the 2008 action claimed that this was a breach of the injunction. In response, Giuseppe Cipriani (younger) applied for a declaration that a logo incorporating the words "Managed by Giuseppe Cipriani" would not constitute a breach of the injunction. The matter came before Mr Justice Arnold on 17 January of this year.

In considering infringement under Article 9(1)(b) of the Regulation, the sign was taken to be "G Cipriani" and "Giuseppe Cipriani" both of which consist of the whole of the trade mark with the addition of "G" or "Giuseppe". The Defendants submitted (1) that the signs complained of were not being used to distinguish services and their use did not fall within Article 9(1)(b) at all; and (2) that as Giuseppe was well known as a manager of restaurants and as the restaurants were clearly identified by names which would not be confused with the First Claimant and its services, the signs would simply be understood to describe the role of Giuseppe in the associated restaurants.

Mr Justice Arnold did not agree, and made the following findings which ultimately led to a finding of likelihood of confusion and ultimately infringement of the CTM.

- Both of the statements ("by G Cipriani" and "Managed by Giuseppe Cipriani") would be taken as indicating something significant about the origin of the services.
- It had not been established that Giuseppe Cipriani was well known to the relevant consumer.
- The names of the restaurants were in themselves not very distinctive.
 - The "C" in C London could be understood to be an abbreviation for something and the addition of "by G Cipriani" or "Managed by Giuseppe Cipriani" could lead the average consumer to think that it was short for Cipriani.
 - Downtown Mayfair was found to be largely descriptive of the location of the restaurant and the addition of "by G Cipriani" or "Managed by Giuseppe Cipriani"

could be taken to add Cipriani to the restaurant's name.

p3

At first blush this latter point would appear to be quite a leap of faith, with the average consumer being taken to read Downtown Mayfair as something akin to Downtown Mayfair Cipriani. However the problem that the Defendants faced was that the reputation of the Cipriani brand and/or association of the restaurant with Giuseppe Cipriani did lead restaurant critics to make this association. In this regard the judgment quotes articles containing the terms "Downtown Mayfair by Cipriani", "Downtown 'Cipriani' London" and "Cipriani in Mayfair". It is of course possible that the reason for this association is the knowledge of the Cipriani family's involvement in the restaurants and their reputation in the industry generally; but the average consumer is not taken to mentally separate out one Cipriani origin from another through having a detailed knowledge of the history and development of the differing Cipriani undertakings.

The aforementioned acts were therefore found to infringe the CTM, and also amount to passing off. A defence under Article 12(a) failed for similar reasons as those given in the 2008 judgment.

In the light of the evidence summarised above, and the associated findings of the judge, unless the decision is successfully appealed it is difficult to see how the Cipriani family can use the Cipriani name as part of a longer sign (used in association with hotels or restaurants) without a likelihood of confusion being found to arise. While arguably the judgment does leave the door open for use of the two signs ("by G Cipriani" or "Managed by Giuseppe Cipriani") alongside a highly distinctive restaurant name, it is hard to imagine any use of Cipriani in a restaurant sign that does not risk well intentioned restaurant reviews producing evidence of confusion.

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