

Victory for Barilla: Supreme Court finds competitor's packaging confusingly similar

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Barilla obtained temporary injunction preventing Rami Levy from marketing pasta products in blue packaging

Focus should be on general impression given by products

Barilla was entitled to protect overall impression created by combination of visual elements

The Supreme Court has issued its decision in a dispute over the alleged existence of a visual resemblance between pasta packages (Store Chain of Rami Levy Hashikma Marketing 2006 Ltd v Barilla Ger Fratelli SpA (LCA 1065.18, LCA 1521.18), published on Nevo on April 22 2018).

Background

In Barilla v Rami Levy, the company Barilla filed a motion for a temporary injunction against retail company Rami Levy, requesting that the latter be ordered to cease marketing pasta under its private label in blue packaging similar to Barilla's own packaging, and to stop marketing pasta sauces in jars with blue tops.



Barilla's Pasta products



Rami Levy's private-label pasta products

District court decision

The district court ordered that a temporary injunction be issued, prohibiting Rami Levy from marketing its pasta products in blue packaging (subject to depositing a bank guarantee amounting to IS400,000 to secure Rami Levy's damages due to the temporary relief). Barilla's motion for a temporary injunction prohibiting the sale of the jars was denied.

Rami Levy appealed to the Supreme Court, arguing that, although a certain similarity existed between its private-label packaging (sold under the mark OLLA) and the Barilla packaging, such resemblance should be permissible on the grounds, among others, that no exclusive right may be granted over the color blue, which is "a selling colour". Barilla countered by arguing that, for a finding of confusing similarity, individual differences should be disregarded; rather, the overall impression of the visual elements (the Gestalt) should be examined.

Supreme Court decision

The Supreme Court denied the motion for leave to appeal filed by Rami Levy and upheld the motion for leave to appeal filed by Barilla, expanding the injunction to apply not only to the pasta packaging but also to the jars.

The Supreme Court's ruling includes noteworthy statements. With respect to proving the similarity between competing products for the purpose of obtaining a temporary injunction, the Supreme Court held that Barilla had presented sufficient evidence of its products' status in the pasta market in Israel for the purpose of establishing goodwill within the framework of interlocutory proceedings, noting that Barilla is undoubtedly among the best-known pasta producers in the world and in Israel. The court added that the strong resemblance between Rami Levy's packaging and Barilla's was ostensibly indicative of the goodwill acquired by Barilla. The Supreme Court's determinations were made with respect to both the pasta and sauce packaging.

The Supreme Court also addressed the mens rea behind Rami Levy's copying of Barilla's get-up, holding that Rami Levy's failure to demonstrate the design process of its products strengthened the conclusion that it had sought to "dress in borrowed plumes and wear the goodwill acquired by Barilla".

The Supreme Court noted that one should refrain from giving too much weight to a meticulous, individualised examination of the various visual elements, and that the focus should instead be on the

general impression given by the products, citing a previous ruling (Philip Morris) which stated that “people see and hear [things] holistically”. The Supreme Court thus ruled that Barilla was entitled to protect the overall impression created by the combination of the visual elements (the Gestalt) and that it did not attempt to enjoin use of each element taken separately.

The ruling further stated that the similarity requirement to establish deception should not be applied strictly, since pasta is an inexpensive product that appeals to the wider public; the time spent looking at it and choosing it is relatively short. These tests led to the conclusion that a risk of confusion existed between the parties’ packages and, therefore, Barilla had the prima facie right to a claim of passing off.

The Supreme Court did not accede to Barilla’s claim that the color blue is a well-known mark around the world, noting that:

“colours, by their character and nature, must remain open to general use... only in exceptional and extraordinary cases where it is proven that the colour has become a mark associated with the relevant goods will there be room to restrict the fundamental right to use colours freely”.

Since Barilla did not present evidence that the blue packaging had come to have a secondary meaning, its motion on the basis of infringement of a well-known unregistered trademark was dismissed.

The Supreme Court also considered the balance of damages as a consequence of granting temporary relief against Rami Levy, emphasising that the risk of misleading the consumer public and the potential damage to Barilla were real. In contrast, the possible damage to Rami Levy was monetary and could easily be assessed. The injunctive relief would not prevent Rami Levy from continuing to market its pasta products in different packaging. On the contrary, given Rami Levy’s contention that “it is a much stronger brand than Barilla in Israel”, it should be able to take advantage of its apparent position in the market and continue marketing its products in a manner that removed any risk of confusion among the public.

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