

Court shifts burden of proof to defendant in parallel import case Slovenia - ITEM d.o.o

Infringement Enforcement

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In *Coty Germany GmbH v Piskar Klavdija sp* (Case No IV Pg 129/2013, May 7 2014, released in July 2014), the Circuit Court of Ljubljana has held that products whose serial numbers and bar codes had been removed were not considered to be genuine, unless the alleged infringer could prove that they had legally been put on the relevant market by the holder of the trademark.

In April 2012 *Coty Germany GmbH*, the exclusive licensee of various prestigious beauty brands in the European Union, discovered that Piskar Klavdija sp was distributing Marc Jacobs Bang and Marc Jacobs Daisy perfumes to several stores in Slovenia. The infringing products' packaging had no bar code and serial number; they had either been removed or covered by stickers of unknown origin.

On genuine products, bar codes and serial numbers provide information about their production, such as time and place. This information enables the tracking of genuine products through distribution channels and helps to distinguish original products from counterfeits.

As Piskar Klavdija failed to respond positively to a cease and desist letter, Coty initiated an action for trademark infringement under Article 121 of the [Intellectual Property Act](#), in conjunction with Article 47, requesting:

- the prohibition of further infringement;
- the publication of the judgment; and
- the payment of damages.

Coty argued that the distribution of products whose bar codes and serial numbers had been removed constituted trademark infringement. Coty could not determine the true origin of the products because the bar codes and serial numbers had been removed. Therefore, Coty argued, the defendant had the burden of proving that the goods were genuine and had been put on the EU market with the trademark holder's consent.

In its response and subsequent briefs, Klavdija Piskar argued that Coty's trademark rights were exhausted because the products were genuine and had been legally brought onto the EU market. The defendant further argued that distributing decoded products does not constitute infringement, because the coding of products for tracing purposes unreasonably inhibits market competition.

In its judgment, the court followed Coty's arguments regarding the burden of proof, holding that the decoded products were not deemed to be genuine unless the defendant proved that the products were genuine and had been put on the EU market with Coty's consent. The court concluded that Klavdija Piskar had failed to meet this burden of proof and, consequently, it had infringed Coty's trademark rights.

The judgment has now become final as Klavdija Piskar did not appeal the decision.

This judgment may have a significant impact on evolving Slovenian case law regarding parallel imports, because the court shifted the burden of proof to the defendant. This could mean that, in all future cases, goods will be deemed to be counterfeits where the defendant is unable to demonstrate the genuine and legal origin of the goods.

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