

EU backs Dior in trademark row

LUXEMBOURG: Placing luxury goods such as Christian Dior products in discount stores can affect their quality, a European court ruled on Thursday, backing the French fashion house in a copyright case.

"The quality of luxury goods is not only the result of their material characteristics but also of the allure and prestigious image which bestows on them an aura of luxury," the European Court of Justice said in a ruling.

The case, sent up from a French court, harks back to 2000 when Dior concluded a licensing deal with Societe industrielle lingerie (SIL) for manufacture and distribution of luxury corsetry goods bearing the Christian Dior trademark.

Under that agreement, in order "to maintain the repute and prestige of the Dior trademark", SIL agreed not to sell to discount stores.

However, facing economic difficulties, that's just what SIL did, selling some of the range to Copad, a company operating a discount store business.

SIL argued that Dior's trademark rights no longer applied but a French court sent the matter, originally brought to trial by Dior, to the EU judges in Luxembourg.

The European court ruled that Dior could invoke its trademark rights if the sale to the discount store affected its "prestigious image".

In its ruling the court declared that "it is conceivable that the sale of luxury goods" to a discount store "might affect the quality itself of those goods," but threw it back to the French court to decide whether "the aura of luxury" had been damaged in this particular case.

Source: AFP

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