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Tatiana Baranova

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Ferrari v. Plein: The Fast Against The Furious

BY [TATIANA BARANOVA](#)/ ON NOVEMBER 30, 2019



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Increased simplicity of sharing information and rapid dissemination of user-generated content in the digital era has introduced challenges and uncertainty around many aspects of intellectual property law. Just last year, the Federal Trade Commission (“FTC”) updated its guidelines outlining how influencers should disclose their connection to a brand to avoid deceptive advertising tactics.[\[1\]](#)

The other side of the coin is dealing with unsolicited promotion by fans and celebrities that a brand does not want to be seen as associated with. The more successful a brand becomes, the harder it is to maintain control over the coverage of its products online. Given the importance of social media as a medium for brand promotion, among new legal challenges in this field are protection from trademark dilution by unwanted endorsement and trademark protection for hashtags relating to a brand.

Often, aspiring influencers promote brands for free with a continuous stream of product-dedicated content, creating an impression that those posts are sponsored, while, in fact, they are not. So far, there are no rules or legal remedies against people who are not paid captioning their photos to make them see like paid partnerships.

A high-profile feud over an unwanted endorsement broke out a few years ago between Cristal champagne and Jay-Z. In 2006, an attempt by the champagne brand Cristal to distance itself from an association with the rap culture and its “bling lifestyle” backfired, when Jay-Z in his response accused the brand of racism. Asked whether such unwanted endorsement might sully the brand, Roederer’s managing director Mr. Rouzaud said: “That’s a good question. But what can we do? We can’t forbid people from buying it.”[\[2\]](#)

German designer Philipp Plein, on the other hand, embraced rappers and enlisted Future, Teyana Taylor, and Chris Brown to perform at his fashion shows. Another one of Plein’s passions – luxury cars – is often featured in his posts on Instagram. In July, in response to the designer’s photo displaying a pair of green Plein’s Phantom Kick\$ atop of his green Ferrari, the carmaker sent a cease and desist letter, asking to stop putting his products next to its cars and remove the post within forty-eight hours.[\[3\]](#) Ferrari stated that Plein is using Ferrari’s trademarks for the “promotional purposes” of increasing his brand and products’ visibility and that this behavior “tarnishes the reputation of Ferrari’s brands and causes Ferrari further material damage.”[\[4\]](#) Plein reacted by accusing Ferrari of blackmailing him: “I can’t even put in words how disappointed and disgusted I am about this unfair and totally inappropriate claim against me personally.” [\[5\]](#)

In the United States and Italy, a trademark’s owner has the right to prevent third parties from using identical or similar trademarks for identical or similar products or services. The body of trademark law principles ultimately protects consumers by prohibiting companies from using trademarks substantially similar to those of other companies that may have more brand equity and customer loyalty. Infringement of a registered mark includes the use of “any reproduction, counterfeit, copy, or colorable imitation” in order to sell or advertise goods or services, and which “is likely to cause confusion, or to cause mistake, or to deceive.”[\[6\]](#) However, both the US and the EU are ambiguous as to the scope of fame required to trigger a claim in trademark dilution.[\[7\]](#)

In the European Union, an owner of a well-known trademark is entitled to prevent third parties from using any sign that is identical or similar to its mark, irrespective of whether it is in relation to goods or services which are identical or similar to, or even completely dissimilar to, those for which the well-known mark is registered, where such use, without due cause, would take unfair advantage of or be detrimental to the earlier mark’s distinctive character. [\[8\]](#)

Ferrari is one of the world’s best-known luxury brands that sells not only cars but also various Ferrari-branded merchandise through its website and dozens of stores worldwide.[\[9\]](#) The

company has licensing agreements with companies including Luxottica, Tod's, Lego, Electronic Arts, and Movado and gets royalties from Ferrari World and Ferrari Land, their theme parks in the UAE and Spain.[\[10\]](#)

A registered mark with indisputable fame and reputation, Ferrari would only need to produce evidence of unauthorized use of its mark in commerce by Plein and show that his use of the mark causes confusion or is likely to cause confusion.[\[11\]](#) Considering the prominent placement of both trademarked Ferrari word mark and the horse logo, and the striking color correlation between the sneakers and the car, Ferrari could prove there are consumers out there misguidedly thinking that a partnership between the carmaker and the fashion designer exists. What would make it even harder for Plein to defeat a claim of trademark infringement or dilution, is having the controversial photo displayed in a commercial context. The account at issue is not the brand's official Instagram page, but Plein's personal one, the latter boasting three times the number of followers than the former with nearly two million. However, the overlap between personal lifestyle content and promotion of Philipp Plein branded merchandise is obvious. When Michael Jordan brought a lawsuit against Jewel-Osco supermarket alleging false endorsement, the Seventh Circuit held that "[a]n advertisement is no less 'commercial' because it promotes brand awareness or loyalty rather than explicitly proposing a transaction in a specific product or service."[\[12\]](#) The car is Plein's property, and sporting several more in his garage, he seemed to be Ferrari's loyal customer – until now. But with its high profile and large subscriber base, his Instagram post would hardly be treated as a case of an infringement by a "fan account."

Those accounts usually pursue no commercial purpose being set up to praise a celebrity's work, rather than harm a celebrity's persona or brand.[\[13\]](#)

Plein, who previously abandoned the legal profession to manufacture luxury dog beds, showed no intention of removing the controversial photo. Furthermore, his Instagram story "Push Back" now exhibits a slideshow dedicated to footwear atop various luxury cars, all photos courtesy of his supportive followers. While Ferrari is waiting for another shoe to drop, its legitimate property rights must be balanced against Plein's freedom of expression – to flaunt his enviable sports car collection on his personal social media account. It seems that the designer will be in the clear if he continues placing bikini-clad models on the hood of his car – just for kicks – but not the kicks, per se. Much like another flamboyant First Amendment martyr Larry Flint thirty years ago, all Plein is guilty of is bad taste.

Tatiana Baranova is the Third Year Law Student at the Benjamin N. Cardozo School of Law and a Staff Editor at the Cardozo Arts & Entertainment Law Journal. Tatiana is interested in IP enforcement and brand protection. Tatiana also holds an MBA in International Luxury Brand Management.

[1] *Disclosures 101 for Social Media Influencers*, Fed. Trade Comm'n, <https://www.ftc.gov/tips-advice/business-center/guidance/disclosures-101-social-media-influencers>.

[2] Douglas Century, *Jay-Z Puts a Cap on Cristal*, N.Y. Times (July 2, 2006), <https://www.nytimes.com/2006/07/02/fashion/02cris.html?mtrref=www.google.com&gwh=6B81249C5C25788B5CAC1D6F805C5437&gwt=pay&assetType=PAYWALL>

[3] Simone Preuss, *Ferrari rejects Philipp Plein's use of their cars* (Aug. 9, 2019), <https://fashionunited.com/news/fashion/ferrari-rejects-philipp-plein-s-use-of-their-cars/2019080129221>.

[4] Benedikt Kammel, *Ferrari Sues Influencer Over Racy Instagram Posts* (Aug. 2, 2019), <https://www.bloomberg.com/news/articles/2019-08-02/at-ferrari-a-battle-over-bikinis-sneakers-and-a-garden-hose>.

[5] Jake Silbert, *Philipp Plein Lashes out at Ferrari over Cease-And-Desist Letter* (Aug. 5, 2019), <https://hypebeast.com/2019/8/philipp-plein-ferrari-812-superfast-cease-and-desist-letter-instagram>.

[6] 15 U.S.C. § 1114(1).

[7] Danny Friedmann, *The Uniqueness of the Trademark: A Critical Analysis of the Specificity and Territoriality Principles*, 38 Eur. Intell. Prop. Rev. 678, 680 (2016).

[8] Council Directive 2015/243, 2015 O.J. (L 336) 1, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015L2436>

[9] *Ferrari Carves Out Position as a Luxury Brand Rather Than Automobile Manufacturer*, Wealth-X (Jan. 6, 2016), <https://www.wealthx.com/portfolio/world-ultra-wealth-report-2017-2/>.

[10] Marina Nazario, *All the things Ferrari sells that aren't cars*, Business Insider (Oct. 12, 2015), <https://www.businessinsider.com/ferrari-merchandise-and-licensed-products-2015-10>.

[11] 15 U.S.C. § 1125.

[12] *Jordan v. Jewel Food Stores, Inc.*, 743 F.3d 509, 511 (7th Cir. 2014).

[13] Shrutih Tewarie, *Social Media Fan Accounts: Honoring a Celebrity's Brand or a Trademark Violation?* 34 Licensing J. 1 (May, 2014), <https://foleyhoag.com/-/media/files/foley%20hoag/publications/articles/2014/tewarie-licensing-journal-social-media.ashx?la=en>.