

SCOTT:

Imitation of the iconic sports brand.

The company

SCOTT is a Swiss company engaged in the production of bicycles and sports accessories and apparel. It focuses mainly on motorcycling, winter sports and running.

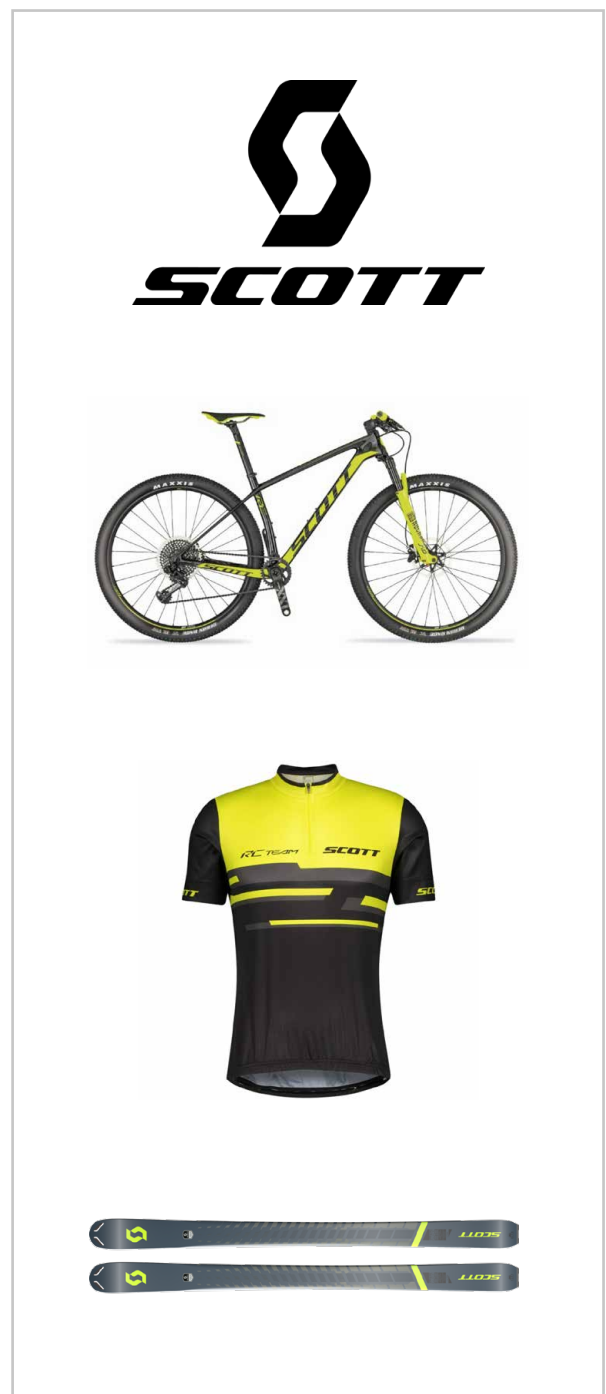
In 1958, engineer and skier Ed Scott invented aluminum ski poles, which replaced the existing ones made of steel. In 1970, the first protective goggles for motocross were launched, followed by several other products in the same field. Scott's products radically changed the way of doing sports, allowing users to have a better and safer sporting experience.

In Uruguay, the brand has great prestige and renown, being marketed in different parts of the country, focusing mainly on cycling articles.

SCOTT
is the holder in Uruguay of the
following trademark:

Word mark, protecting goods
in international classes 9, 12, 18,
and 25.

SCOTT



Backgrounds

In November 2021, SCOTT representatives in Uruguay became aware that two companies were importing products in alleged infringement of the trademarks owned by SCOTT. A preliminary investigation was conducted to obtain more information on them.

The investigation revealed that these companies were involved in the import and distribution of sports products and merchandise, such as clothing and accessories. It should be noted that both are renowned companies, with several stores located in popular areas of the city of Montevideo. In addition to their physical stores, they offer online sales services and on their social networks, thus marketing the products all over the country.

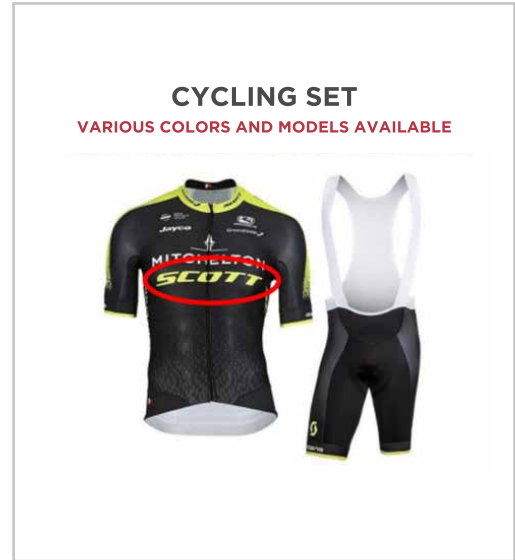
As a result of the investigation, it was found that the companies were marketing SCOTT products on their social networks in alleged trademark infringement. Therefore, it was suggested to the client to proceed with a notarial notice and a subsequent out-of-court settlement in order to cease the commercialization of products that infringe their intellectual property rights.

Actions taken

Following an investigation of the companies that marketed the products in question, in November 2021, brand representatives identified a warehouse used for the wholesale of sporting goods, where it was suspected that the products infringing SCOTT's intellectual property rights were located.

Therefore, there was made a purchase in the presence of a notary public at the companies in order to obtain evidence of the infringement committed. At the same time, the managers of the infringing companies were ordered to cease the marketing of counterfeit SCOTT products.

The products were being marketed with an incorrect packaging and labeling, which indicated that they were counterfeit. In addition, the origin of the products was suspicious and the price at which the products were offered for sale differed from the price of the original products.



Out-Of-Court settlement

Once the infringing companies contacted SCOTT's legal representatives, and after several negotiations by the legal team, an out-of-court settlement was reached with both companies in which they agreed to:

- ▶ Acknowledge the trademarks concerning the creations owned by SCOTT.
- ▶ Not to market, manufacture, buy, hold in trust, import, transfer, receive, advertise, promote, sell, offer for sale, supply, distribute, or otherwise deal any SCOTT intellectual property.
- ▶ Remove all products from sale.
- ▶ Hand over the remainder of the infringing merchandise in stock for the purpose of its destruction.
- ▶ Reimburse the expenses incurred and destruction of the merchandise.

Products that were handed over

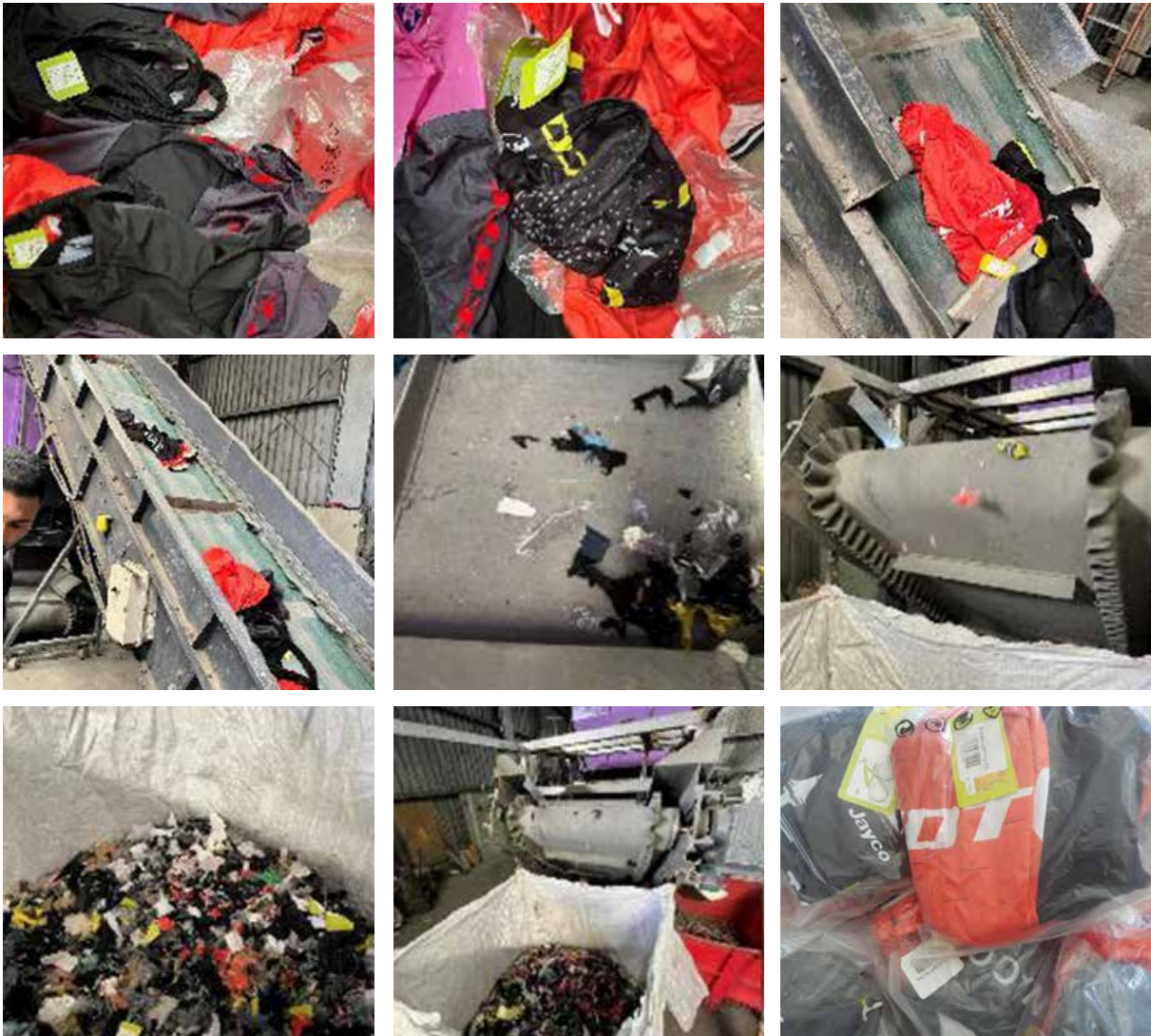


Destruction

The destruction and recycling of the apocryphal products was carried out in a sustainable manner. The packaging of the products was handed over to a company specialized in the sustainable and creative production of everyday products by recycling plastic waste. The product itself was used for the manufacture of sustainable plates for the creation of multiple products.

Article 84 of Law No.17.011: *Those trademarks mentioned in the previous articles as well as those tools used to the execution thereof shall be destroyed or made unusable. Those goods infringing the law that have been confiscated shall be seized and destroyed unless, because of their nature, they may be assigned to state or private charity institutions. Once the apocryphal quality of the merchandise has been determined by the corresponding technical expertise, the goods will be destroyed at the expense of the complainants or will be awarded to public or private charitable institutions.*

Destruction and recycling process





Conclusions

We upheld SCOTT's trademark rights by removing a significant number of infringing products from the market.

Had sustainably destroyed the merchandise that infringed SCOTT's property rights. In addition, we were able to generate a recycling policy regarding the packaging of infringing products.

by:



**Dr.
Virginia Cervieri**

Senior Partner
vcervieri@cmlawyers.com.uy



**Dr.
Anabel Frachia**

Partner
afrachia@cmlawyers.com.uy



**Dr.
Lucía Cantera**

Senior Associate
lcantera@cmlawyers.com.uy