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Ukraine Revokes Ferrero Copyright

By The Moscow Times

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Ferrero is fuming over a Ukrainian court's cancellation of its Raffaello trademark, opening the way for imitators. **Igor Tabakov**

MILAN, Italy — Italian chocolate maker Ferrero said Wednesday that a top Ukrainian court upheld a previous ruling canceling the trademark of its round Raffaello chocolate in Ukraine in a case that was closely watched for its implications for foreign investments in the country.

The court decision opens the way for the marketing of a rival praline launched in the country by a former Russian importer of Ferrero products. ⊠

"Today's negative outcome of the case is only going to encourage third parties to take advantage of the hard-earned reputation and know-how of foreign investors in Ukraine," the $8.08 billion confectionery group said in a statement. ⊠

Ferrero, maker of Nutella chocolate spread and Kinder chocolate eggs, has won hundreds of counterfeit lawsuits, including some in neighboring Russia, which is the No. 1 market for Ferrero's chocolate truffles. Representatives of the U.S., Italian and European Union

embassies, who have closely monitored the case, attended the hearing on Wednesday. ⊠

"The case is very important for foreign investors because the court system in Ukraine is one of the key challenges for the business community in the country," said Anna Derevyanko, executive director of the European Business Association, which represents more than 750 businesses in Ukraine. ⊠

"Unless there is an opportunity to have a rule of law [in Ukraine], there will be no positive signal for the business community," she said. ⊠

Ferrero "will not stop taking appropriate actions to defend its efforts and growing investments in the country," Arturo Cardelus, Ferrero chief executive for CIS countries, said in the statement. ⊠

The market for all counterfeit Italian food products is estimated to be worth about $79.8 billion globally. Ukraine is under pressure from international and diplomatic bodies to clean up its image as a center of corruption in Europe, which damages its relations with the European Union and affects potential foreign investment.

The European Business Association, which measures the investment attractiveness in Ukraine, said the mood of investors in the country has slightly improved but a lot remains to be done.

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