

FRENCH CIVIL SUPREME COURT

STATEMENT IN INTERVENTION

in Case n.° 14-28116

filed by

INTERNATIONAL TRADEMARK ASSOCIATION (hereinafter "INTA")

the main parties being

Sté France.com Inc., hereinafter "France.com"

and

GIE Atout France et l'Etat français

Summary of INTA's position

INTA is a global association of brand owners and professionals dedicated to supporting trademarks and related intellectual property (IP) to foster consumer trust, economic growth, and innovation. INTA's members are more than 7,200 organizations from 191 countries. The Association's member organizations represent some 31,000 trade mark professionals and include brand owners from major corporations as well as small and medium- sized enterprises, law firms and nonprofits. There are also government agency members as well as individual professor and student members. Further information about our Association can be found at www.inta.org.

INTA has taken note of the Paris Court of Appeal judgment of September 22, 2017 in which the Court ruled in favor of an application for the cancellation of French "France.com" trademarks Nos. 3661596, 3661598, 3661602, 3661600 and 3661603, filed for registration of July 2, 2009 and owned by US corporation, France.com Inc., revoking them for all the goods and services listed in the filing. INTA believes that this judgment requires its attention for the reasons set out below.

Names that relate to geographic areas are understandably politically sensitive since they involve national pride and history. For more than 130 years, since the Paris Convention for the Protection of Industrial Property in 1883, through the World Trade Organization (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) of 1994, the global community has debated how best to balance these national concerns with the legitimate protection of trademarks, many of which have some form of geographical significance. Through the long line of global treaties, national statutes, bilateral and multilateral investment agreements, and court decisions since 1883, a vast body of international law has developed on how best to balance the sometimes competing interests of trademark owners and governments in this area of the law.

INTA believes that the fundamental principles of public international law do not recognize an exclusive right of states to geographic terms, including country names. In particular, it is our position country names are registrable under the Paris Convention for the Protection of Industrial Property (Paris Convention) and TRIPS inasmuch as they constitute signs “capable of distinguishing the goods or services of one undertaking from those of other undertakings” (Article 15(1) TRIPS).

Moreover, in INTA’s opinion, under Article 6^{ter} of the Paris Convention countries do not benefit from special protection for their geographic names and only their official emblems and symbols do. In fact, comparing the wording of subparagraphs (a) and (b) of Article 6^{ter}(1), it is clear that a distinction was meant between names of international intergovernmental organizations, protected under subparagraph (b), and names of countries which are not within the exhaustive list of signs covered by subparagraph (a).

It is INTA’s position that, states do not possess exclusive rights to geographic terms and that the rights of trademark owners as established under the international legal framework – including the above binding international treaties – should be recognized and protected. In our opinion, no interpretation of the public interest provides justification for disregarding such international legal framework as it applies to trademarks. Such an approach would be inconsistent with the legal obligations of the 177 contracting parties of the Paris Convention under Article 6 and, therefore, should not be upheld by the national courts of those countries.

In this respect, WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) has been addressing the different practices and approaches, and existing areas of convergence across various countries and territories of the Paris Convention regarding the protection of country names as trademarks¹.

No definitive conclusions have been reached yet but it should be noted that already “*several SCT members indicated that in the context of their normative systems, country names do not constitute*

¹ See WIPO document SCT/38/2, available at http://www.wipo.int/edocs/mdocs/sct/en/sct_38/sct_38_wwww_380656.pdf.

a separate or specific category of sign. Such names are rather included in the broader category of geographical terms, which may either be considered distinctive and therefore registrable as a mark or non-distinctive and refused registration"².

The legal grounds expressed by the Paris Court of Appeal in this judgment are as follows:

"Given that the list of earlier rights set out in Article L. 711-4 of the Intellectual Property Code is not exhaustive, the name "France", claimed by the French state, is likely to be an earlier right predating the filing of these French trademarks where there is a likelihood of confusion in the public mind;

(...)

Contrary to the appellant's arguments, the name "France" is, to the French state, a component of its identity that can be likened to the surname of a natural person. The name "France" embodies the economic, geographic, historical, political and cultural identity of the national territory which, among other things, has the capacity to promote all the goods and services covered in the considered trademark registrations. The ".com" suffix is an Internet domain name extension and, as such, will not change how the sign is perceived.

The general public will therefore identify these goods and services as originating from the French state or, at the very least, an official service endorsed by the French State. The likelihood of confusion is further heightened by the stylized representation in these complex trademarks of the geographical borders of France.

Accordingly, the "France.com" French trademarks Nos. 3661596, 3661598, 3661602, 3661600 and 3661603, filed on July 2, 2009, will be revoked for all the goods and services listed in the registrations."

INTA considers that by likening the name of a country to the surname of a natural person, the Paris Court of Appeal has adopted a position in law that contradicts the above-stated principles. This stance may lead to recognition that states have absolute and exclusive rights in their name. This ruling is a general threat to trademark proprietors wishing to use the name "France" in the future. INTA has accordingly independently and objectively prepared this brief which outlines its position on this aspect of the case. This brief should not be construed as taking a position on any of the other issues considered by the Court in the paragraphs from the ruling quoted above or in any other section of the judgment.

After a brief review of the relevant statutory provision (1.), INTA will demonstrate how trademark law precludes construing a country's name as an earlier right that can be likened to an individual's patronym or family name (2.). A contrary finding may have consequences that undermine the balance that trademark law seeks to maintain (3.).

² *Id*, para. 8.

1. STATUTORY PROVISION

Article L. 711-4 of France's Intellectual Property Code (IPC) provides that:

"Signs may not be adopted as trademarks where they infringe earlier rights in, inter alia, (...)

a) an earlier mark that is registered or is well known within the meaning of Article 6bis of the Paris Convention for the Protection of Industrial Property;

b) a name or style of a corporate entity, where there is a likelihood of confusion in the public mind;

c) a trade name or trade sign known throughout the national territory, where there is a likelihood of confusion in the public mind;

d) a protected appellation of origin or geographical indication;

e) a copyright;

f) resulting from a protected design;

g) the personality rights of a third party, including his or her patronym, pseudonym or image;

h) the name, image or reputation of a territorial community."

2. THE NAME OF A COUNTRY CANNOT BE LIKENED TO A SURNAME WITHIN THE MEANING OF ARTICLE L. 711-4 OF THE IPC

2.1 For reasons of wording

2.1.1 Meaning of the words in Article L. 711-4 (g)

A patronymic name is defined in the Dalloz Dictionary of Legal Terminology, as a "component of a name which, given by reason of **filiation**, is borne in common by the **members of the same family**."

Article L. 711-4 (g) of the IPC protects a patronym or surname as one of the "personality" rights which the Dalloz Dictionary defines as "*all attributes that the law recognizes for every **human being** (...).*"

The words used in Article L. 711-4 (g) urge us to view that this paragraph **does not apply to "persons" other than natural persons.**

2.1.2 Structure of Article L. 711-4 of the IPC

This interpretation is supported by the **structure of Article L. 711-4**, viewed as a whole.

Among those rights with the capacity to block registration or to threaten the validity of an existing mark, Article L. 711-4 distinguishes between family names, on the one hand, and other names applicable to public or private corporate entities or "persons" (company names, trade names, trade signs, territorial community names).

It is vital to respect distinctions between the names of natural persons and the names or styles of corporate entities. They are not interchangeable and do not adhere to the same logic (see paragraph 2.2 below). Likening them to each other could disrupt the balance that trademark law seeks to maintain (see paragraph 3.2 below).

The example of Article 6(1) of the former European Trademark Directive (in both its 1989 and 2008 versions) offered proof of this premise. It provided that "*the trademark shall not entitle the proprietor to prohibit a third party from using, in the course of trade: a) his own name or address (...).*" However, the European Court of Justice (today Court of Justice of the European Union) held that Article 6 (1) (a) applied to corporate trade names, undermining the logic of how this section cooperated with other statutory provisions³. The European Parliament was compelled to take action. It amended this section as part of the review of the wording of the Directive in 2015⁴. This provision (which became Article 14(1)) now provides that "*a trademark shall not entitle the proprietor to prohibit a third party from using, in the course of trade: a) the name or address of the third party, where that third party is a natural person (...).*"

2.1.3 Preparatory work

The preparatory work resulting in the Trademark Act of December 31, 1991 (No. 91-7), incorporating Article L. 711-4 into the Intellectual Property Code, demonstrates the French Parliament's full awareness that the name of a territorial community could not be likened to a surname. This was one reason for adding subparagraph (h) to the initial draft of the Act.

The explanation provided at the October 5, 1990 session by Jacques Thyraud, Rapporteur to the Senate Legislation Committee, who tabled this amendment, was as follows:

"The concern of territorial community officials is that the names of territorial communities should not be used in just any circumstances.

The Legislation Committee wondered whether it would be possible to refer to the list already adopted by the National Assembly. One might have imagined that the personality rights of a third party might address my expressed concern. However, subparagraph (g) refers not

³ ECJ, November 16, 2004, C-245/02, *Anheuser Busch Inc.*

⁴ Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks.

only to the personality rights of a third party but also to a patronym or pseudonym. It cannot be said, however, that a municipality, district or region has a patronym or uses a pseudonym!

For this reason, the committee thought it preferable to establish a distinction specific to territorial communities, relating to their name, image and reputation."

Clearly, the French Parliament, which expressly confirmed that a territorial community name could not be regarded as a patronym or family name, would certainly have taken the view that a country's name could no more be likened to the name of a natural person.

It is therefore clear that Article L. 711-4 (g) of the IPC rules out any interpretation that the name of a country may be deemed comparable to a surname. This view is supported by the fact that these two types of sign adhere to very different forms of logic.

Furthermore, Article L. 711-4, notably paragraph (h), does not include reference to States. From this it follows that the will of the legislator was to leave States outside the regulatory framework of this provision.

2.4 For reasons of underlying rationale

The logic specific to these signs precludes them being likened to each other

Although the name of a country and a surname have identification as their common function, they are nevertheless fundamentally different.

The aim of Article L. 711-4 (g), allowing a surname to be relied upon in opposition to a later mark, is to defend individuals from having their name usurped by a third party trader. In principle, this section applies only where the public truly associates or connects the name with the person seeking to rely upon it. This precludes the bearer of a common surname from challenging the use of that name as a trademark (see paragraph 3.2 below). A business concern that is attempting to associate or connect its goods and services to a natural person or family bearing the surname in question, without consent and without a legitimate reason for doing so, is rarely or even never considered to be acting fairly or honestly.

The position of a business using a place name is entirely different because the nature of geographical names is not comparable. As Professor Bonet wrote, "*geographical names have a public interest function of their own. The need for them is obvious. Everyone constantly needs to use them, both in civilian life and in the course of trade, to identify a place, specify the provenance*

of a product or simply to give an address. In a word, geographical names are essential to daily life, they belong in the public domain (...)"⁵.

Professor Larrieu also stated that "as [place] names are used as a geographical indicator, they need to remain free and available. Their use is essential for the deployment of numerous economic, associative, cultural and sporting activities... Stating where an organization is based is often an essential means of identifying that organization. It would therefore appear difficult to prevent third parties from using geographical indicators, in good faith, in the name of their company or business (...). Companies also frequently include a reference to their place of business in their trademark (...) or in their domain name."⁶

In other words, a surname identifies a natural person individually. A third party business has no reason or basis **prima facie**, for associating or connecting itself with an individual. Conversely, place names are in common language use and, accordingly, are eligible, **prima facie**, to be used by corporate and business stakeholders. Only specific circumstances might justify prohibiting such a use.

This does not mean that these signs associated with places cannot be registered as trademarks, either alone or in combination with other words. Trademarks incorporating a geographical name are entirely valid both under French law⁷ and EU law⁸, and these names should not be treated differently from other signs.

The collective aspect of place names is particularly significant in the case of country names: they are limited in number; they are universally known; they conjure up a wealth of meanings and connotations. As the Court of Appeal explained, the name of a country "*embodies the economic, geographic, historical, political and cultural identity of the national territory.*" This collective aspect is clearly established. For a long time and quite lawfully, many businesses have had a reference to a country in their distinctive signs. More than 10 000 French and European Union trademark filings including the word France can be found in the registers. This is not true of "*République Française*", the official name of the French state, which enshrines the political identity of France. Above all, the name France encapsulates a territory. Only the French state registers trademarks incorporating "*République Française*".

⁵ Georges Bonet, *La Marque constituée par un Nom Géographique en Droit Français* (A Mark consisting of a Geographical Name under French Law), *La Semaine Juridique Entreprise et Affaires* No. 50, December 13, 1990, 15931

⁶ Jacques Larrieu, *Un An de Protection des Noms des Communes* (A Year of Protection of the Names of Municipalities), *Propriété Industrielle* No. 4, April 2008, Chron. 3

⁷ Article L. 711-1 (a) of the IPC expressly provides that geographical names can be trademarks

⁸ ECJ, May 4, 1999, C-108/97 & C-109/97, *Windsurfing Chiemsee*

3. ASSIMILATING THE TWO NOTIONS WOULD HAVE DAMAGING REPERCUSSIONS ON THE BALANCE THAT TRADEMARK LAW SEEKS TO MAINTAIN

3.1 The French law applicable to the names of territorial communities

Given the specific issues to do with geographical names set out above, the body that administers a geographical territory cannot claim on that account exclusive rights in the name of that territory allowing it to prevent third parties from using that name. As stated by Professor Larrieu, *"even if it has sometimes been argued that a territorial community has genuine rights in its name, an element of its "personality", there is little support for this proposition in law or in decided cases. (...) It has no exclusive rights in its name."*⁹.

The preparatory work for Article L. 711-4 (h), enabling territorial communities to enforce rights in their name against later trademarks infringing those rights, show that the National Assembly was extremely reticent in passing this provision into law. It considered that this could be a source of difficulties were it to be construed as granting these communities genuine exclusive rights:

"The Senate proposes to fashion a place for territorial communities in trademark law, enabling them to protect their name, their image and their reputation. As everyone knows, the Senate is the "Great Council of the Municipalities of France". We therefore have a clear understanding of what it is trying to achieve. However, a more attentive examination of such a provision highlights the difficulties to which it might give rise (...). [The age and history of the names of our territorial communities] explain why they have been given to all sorts of places (...). These names are not the specific property of any territorial community, they belong to the French people as a whole, and it would be difficult to draft legislation that would assimilate place names to trademark names. Obviously, this does not mean that, in cases of an abuse or glaring breach, there would be no recourse. (...)

*The current legislation already addresses the Senate's concerns without needing to introduce the proposed new provision."*¹⁰

Furthermore,

"Place names are very commonly used. (...) It would clearly be difficult to give a town absolute title over the use of the name that identifies it. The same would be true for the name of a region, such as "Ile-de-France" which could equally serve as the name of a boat, a product or an art school!

These are names in common usage. They are collective property. Obviously, if there were abuses, legal recourse would be possible. Past court rulings show that (...) in cases of

⁹ Jacques Larrieu, *Le Statut Juridique du Numéro d'un Département: l'Usurpateur du 29 habite au 64* (Legal Status of the District Identification Number: the Usurper of 29 (Finistère) lives in 64 (Pyrénées Atlantiques)), observations reported at Com. Div., June 23, 2009, Appeal Petition No. 07-19.542, Propriété Industrielle No. 10, October 2009, Comm. 58

¹⁰ National Assembly, December 17, 1990 session, speech by François Colcombet, Rapporteur for the Legislation Committee, pages 7000-7001

*wrongful use, the territorial communities can take action. A whole series of reasons advocates for us to keep the law as it is and not to overcomplicate the situation."*¹¹

Under Article 6ter of the Paris Convention, reiterated in unionist legislation and the French Intellectual Property Code, "*the countries of the Union agree to refuse or to invalidate the registration, and to prohibit by appropriate measures, the use, without authorization by the competent authorities, either as trademarks or as elements of trademarks, of armorial bearings, flags and other State emblems of the countries of the Union, official signs and hallmarks indicating control and warranty adopted by them, and any imitation from a heraldic point of view*" (our highlighting). **States' or countries' names are not mentioned**. There is nothing accidental about this omission. This same article provides for an identical prohibition for "*armorial bearings, flags and other emblems, abbreviations and names of **international intergovernmental organizations of which one or more countries of the Union are members***" (our highlighting). It was clearly deliberate on the part of the Paris Convention not to impose any prohibition of the use of abbreviations or the names of countries. There was never any intention of precluding the incorporation of these signs, alone or in combination, in a registered trademark.

The French Supreme Court has always been careful to restate the principle that territorial communities do not own exclusive rights in their name and that they are only entitled to defend that name against trademark filings by third parties where applications to register are wrongful or abusive, genuinely damaging their legitimate interests.

Accordingly, in a landmark judgment¹², the Supreme Court ruled that "*it is not the purpose of Article L. 711-4 (h) of the Intellectual Property Code to impose a general prohibition against third parties filing a trademark application for a sign identifying a territorial community but to restrict such a prohibition only to cases where the filing would be detrimental to the public interest.*"

Legal commentators and court precedents later defined what should be understood by "detrimental to the public interest." In practice, this means an abuse for which sanctions would be available under statutory provisions other than Article L. 711-4 (h).

In a recent judgment in the well-known Laguiole cases, the Supreme Court held that the public interest is damaged where the use of the town's name, especially if it has a widely-held reputation, is likely to mislead the average consumer and to constitute a **misleading trade practice**, or where the trademark filing is **fraudulent** because it is part of a commercial strategy seeking to deprive a territorial community or its citizens of the use of the name.¹³

¹¹ National Assembly, December 17, 1990 session, speech by François Colcombet, Rapporteur for the Legislation Committee page 7004

¹² Cass. Com. Div, June 23, 2009, Appeal Petition No. 07-19542, number "29", identifying the Finistère District, for tee-shirts

¹³ Cass. Com. Div, October 4, 2016, Appeal Petition No. 14-22.245, *Municipality of Laguiole -v- Lunettes Folomi et al.*

However, the Supreme Court ruled that the following argument of the Finistère District Council was **invalid per se**: a trademark application, filed by a Basque company, for the number 29 to be used in tee-shirts would, disregarding any question of damage to image or reputation, **restrict the Finistère District Council's right to use its name by preventing it from printing tee-shirts featuring the number 29, its district identification number, on the occasion of any sporting, cultural or other event** ¹⁴.

This makes it perfectly clear that, although art. 711-4 par. h literally provides that a territorial community has a right to its name, this is interpreted by French case law to mean that such communities have only the right to raise this provision against abuses or misappropriations likely to damage the public interest, therefore it is interpreted as not providing that territorial communities are **vested with any form of exclusive right** granting them a monopoly or a priority right in the use of their name as a trademark in any field in which it might be likely or wish to invest.

Even though such provision does not exist for country names, if it did exist, the same would be especially true in the case of the name of a country.

It is therefore clear from the above that the French State cannot claim exclusive rights in the word "France".

3.2 Contrast with the French law applicable to patronyms or family names

The law applicable to surnames, as shown above, is based on a different set of rules and norms.

It has been explained that infringement of a surname requires the association or connection of that name with a natural person or a family claiming the rights violation. In practice (other than in specific cases of fraud), this implies that protection only validly applies to famous or rare surnames.

It is helpful in this regard to cite the legal grounds for a Supreme Court judgment that rejected an appeal petition by Mr. Abdel Sango who challenged the findings of the first appeal judges for declining to rule that the "Coca-Cola Light Sango" brand infringed his rights in his surname:

¹⁴ See Cass. Com. Div, June 23, 2009. However, the Supreme Court quashed the appeal judgment for failing to find that the registration applicant was guilty of fraud, although it had ruled that the trademark right had not been established and was not used to distinguish goods and services by identifying their origin, but had rather been diverted from its proper function with the aim, by adopting a sign that identified a district, of misappropriating privileged and monopolistic access to a local market to the detriment of other businesses (the proprietor had reserved the identifying numbers of several districts, each with a strong cultural identity, as trademarks with a view to selling tee-shirts featuring that number to illustrate the wearer's cultural attachment to the place in question).

*"The challenge to this ruling was unjustified (...) in that the appeal judges, using their unfettered discretion to appraise the value and weight of the evidence submitted to them, held (...) firstly, that Mr. Sango had failed to prove that the surname "Sango" had acquired a **definite reputation connected to his personality** in the minds of French consumers or professionals in the film or television industries and, secondly, found that it was clear from the relevant section of the "yellow pages", obtained via a search using the Google search engine, that **there were enough people bearing this name**, especially in the Hauts-de-Seine District, to **conclude that the choice of this name as a trademark did not create a likelihood of confusion that might infringe the personality rights** of Mr. Sango"¹⁵ (our highlighting).*

This judgment also shows that the likelihood of confusion, where required to prove infringement, arises merely from the connection established between the surname and the goods or services of the third party because the public is justified, based on business customs and practices, in believing that there is some sponsorship or patronage, or at least consent, by the person bearing the name, probably in return for a financial consideration.

If one applies these principles to cases involving the name of a country, the consequences on i) connection to the "person" identified and ii) likelihood of confusion can immediately be seen:

i) Connection to the "person" identified

Given the notoriety and easy recognition of the names of countries, a trademark consisting wholly or partially of a country's name will systematically focus minds of consumers directly on that country. Unlike a patronym or surname where only rare or famous names create the necessary connection to a natural person identified by that name, the need to establish a link to the "bearer of the name" will almost always be satisfied where the name identifies a country.

ii) Risk of confusion

It has been explained above that in the case of a patronym or surname, a likelihood of confusion is easily created if the connection requirement is satisfied.

In the appeal judgment of September 22, 2017, it can be perceived that the Court of Appeal was guided by the same reflex. It held that *"the general public will identify these goods and services as originating from the French State or, at the very least, an official service endorsed by the French State."* It is not for us to assess whether or not this statement is factually correct. However, the Court of Appeal seems to have arrived at this conclusion based on the sole finding that *"[the French identity], among other things, has the capacity to promote all the goods and services covered in the trademark filings in question."*

¹⁵ Cass. Com. Div., April 10, 2013, Appeal Petition No. 12-14.525, *Sango*

In the judgment in the Finistère District case, the Supreme Court held that the district being inclined to print tee-shirts did not *per se* give it grounds for challenging the validity of a trademark incorporating its name as a brand for tee-shirts.

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There is a distinct possibility that likening the names of countries to family names will lead to an imbalance between State interests and the interests of businesses. While place names can, in principle, despite the specific issues to be considered, be filed as trademarks like other words, and while Parliament and the courts have endeavored to maintain an equitable balance between the interests of stakeholders regardless of the specific issues with these signs, by applying the law governing surnames to the name of a country, the September 22, 2017 appeal ruling undermines and jeopardizes this balance.

INTA therefore believes this assimilation to be legally incorrect and consider that this part of the Paris Court of Appeal's reasoning should not be considered.