

No requirement for domain names to be distinctive in unfair competition claims

March 13 2017 | Contributed by [Hogan Lovells International LLP](#)

Facts

Lower court decisions

Court of Cassation decision

Comment

In a [December 6 2016 decision](#), the Court of Cassation provided a useful clarification in relation to unfair competition claims based on domain names. The court stressed that a domain name need not be either distinctive or original for an unfair competition claim to be admissible, but that these are relevant simply when assessing likelihood of confusion.

Facts

The claimant, Pressimmo On Line, owned the trademark LACOTEIMMO and the registrant of the domain names 'lacoteimmo.com' and 'lacoteimmo.fr'. The defendant, La Cote Immobilière, owned the domain name 'lacoteimmo.net', which it had actively used since December 26 2005. Both companies operated in the real estate sector.

On January 23 2012 Pressimmo sent a cease and desist letter to La Cote asking it to cease use of the term 'lacoteimmo', including as part of its domain name. La Cote failed to cooperate. On November 23 2012 Pressimmo initiated proceedings based on the alleged infringement of its trademark LACOTEIMMO and for unfair competition⁽¹⁾ based on the unauthorised imitation of its domain names in 'lacoteimmo.net'. In response to the allegations, La Cote filed a counterclaim requesting cancellation of the LACOTEIMMO trademark on the grounds that it was merely descriptive of the services provided.

Lower court decisions

The first-instance tribunal found in favour of La Cote on both accounts and thus cancelled the trademark LACOTEIMMO and rejected the unfair competition claim based on 'lacoteimmo.com' and 'lacoteimmo.fr', due to the descriptiveness of the trademark and domain names. The tribunal held that even if the domain names pointed to websites with similar services, they needed to be distinctive as a source indicator for Pressimmo's specific services. Therefore, it concluded that Pressimmo could not prevent competitors from using a domain name that was descriptive, such as 'lacoteimmo.net'.

Pressimmo appealed, but the court of appeal confirmed the decision. Pressimmo then challenged the court of appeal's decision before the Court of Cassation, which overruled the court of appeal's decision on two points.

Court of Cassation decision

First, the Supreme Court considered that there had been a procedural irregularity, as the evidence relied on by La Cote to invoke the descriptive nature of the LACOTEIMMO trademark (and thus to justify its cancellation) had not been produced in the proceedings.

AUTHORS

[Vincent Denoyelle](#)



[David Taylor](#)



Second, the Court of Cassation underlined that the purpose of the tort of unfair competition is to offer an alternative course of action precisely when a claimant cannot rely on a trademark to obtain compensation where a link can be established between a detriment to the claimant and an unfair act or omission on the part of a competitor. It found that the court of appeal's decision to reject Pressimmo's claim of unfair imitation of its domain names in 'lacteimmo.net' due to lack of distinctiveness and originality was ill-founded, and cancelled the court of appeal's ruling on that point. The Court of Cassation highlighted that while distinctiveness and originality are not prerequisites for an unfair competition action, they can be of assistance in showing likelihood of confusion.

Comment

While the Court of Cassation's decision is rather short, in practice it clarifies that:

- domain names associated with actively used websites can be relied on in an unfair competition action; and
- as long as a claimant can demonstrate that it has suffered a detriment as a result of a competitor unduly seeking to benefit from the goodwill of its domain name, it does not matter whether the domain names relied on are original or distinctive.

For further information on this topic please contact [Vincent Denoyelle](#) or [David Taylor](#) at Hogan Lovells by telephone (+33 1 53 67 47 47) or email (vincent.denoyelle@hoganlovells.com or david.taylor@hoganlovells.com). The Hogan Lovells International LLP website can be accessed at www.hoganlovells.com.

Endnotes

(1) Based on general tortious liability under Article 1240 (previously Article 1382) of the French Civil Code, effective since October 1 2016 further to the reform of French contract law.

The materials contained on this website are for general information purposes only and are subject to the [disclaimer](#).