

No requirement for domain name to be distinctive in unfair competition claims France - Hogan Lovells LLP

Domain names Infringement

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In a [decision of December 6 2016](#), the French Supreme Court of the Judiciary (*Cour de Cassation*) provided a very useful clarification in relation to unfair competition claims (*'concurrence déloyale'*, a tortious action) based on domain names. The *Cour de Cassation* stressed that neither the distinctiveness nor the originality of a domain name was a requirement for an unfair competition claim to be admissible, but that they would simply be relevant when assessing the likelihood of confusion.

The claimant was a French company called Pressimmo On Line. It was the owner of the word trademark LACOTEIMMO and the registrant of the domain names 'lacoteimmo.com' and 'lacoteimmo.fr'.

The defendant was a French company called La Cote Immobilière and owned the domain name 'lacoteimmo.net', which it used actively at least since December 26 2005. Both the claimant and the defendant operated in the real estate sector.

The claimant sent a cease-and-desist letter to the defendant on January 23 2012 to ask it to cease using the term 'lacoteimmo', including as part of the domain name 'lacoteimmo.net'. Given the defendant's failure to cooperate, the claimant initiated proceedings on November 23 2012 based on the alleged infringement of its LACOTEIMMO mark and also for unfair competition (based on general tortious liability as per ex-Article 1382 of the French Civil Code, which has become Article 1240 since October 1 2016 further to the reform of French contract law) based on the unauthorised imitation of the claimant's domain names in the domain name 'lacoteimmo.net'. In its response addressing the claimant's allegations, the defendant also made a counter-claim requesting the cancellation of the LACOTEIMMO mark for being merely descriptive of the services provided under the mark.

The first instance tribunal hearing the case found in favour of the defendant on both accounts, thus cancelling the mark and rejecting the unfair competition claim based on the claimant's domain names, in both cases due to the descriptiveness of the mark and the domain names. The first instance tribunal held that, even if the domain names pointed to websites with similar services, the domain names needed to be distinctive as a source indicator for the specific services of the claimant. Thus, the first instance tribunal concluded that the claimant could not prevent its competitors from using a domain name that was descriptive, such as the domain name 'lacoteimmo.net'.

The claimant lodged an appeal against the first instance decision, but the court of appeal confirmed the first instance decision. The claimant challenged the court of appeal's decision before the *Cour de Cassation* and the latter overruled the decision of the court of appeal on two points.

Firstly, the *Cour de Cassation* considered that there was a procedural irregularity in that the evidence relied upon by the defendant to invoke the descriptive nature of the trademark (and thus to justify its cancellation) had actually not been produced in the proceedings.

Secondly, the *Cour de Cassation* underlined that the purpose of the tort of unfair competition was to offer an alternative course of action precisely where a claimant could not rely on a trademark, to obtain compensation where the claimant could establish a link between a detriment to the claimant and an unfair act or omission on the part of a competitor. Thus, because the court of appeal (upholding the decision from the tribunal of first instance) rejected the claim based on the unfair imitation of the domain names 'lacoteimmo.com' and 'lacoteimmo.fr' in the domain name 'lacoteimmo.net' due to the lack of distinctiveness and originality of the claimant's domain names, the *Cour de Cassation* found that reasoning to be ill-founded and cancelled the court of appeal's ruling on that point. The *Cour de Cassation* highlighted that, whilst distinctiveness and originality were not prerequisites for an unfair competition action, they could be of assistance in showing likelihood of confusion.

Whilst the decision is rather short, as decisions from the *Cour de Cassation* often are, in practice this decision clarifies that:

1. domain names associated with actively used websites can be relied upon in an unfair competition action in France; and
2. 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 names, then it does not matter whether the domain names relied upon are not original or distinctive.

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