World Trademark Review Daily

Highest court considers ownership of domain names corresponding to French place names Cybersquatting

France - Hogan Lovells LLP

October 31 2012

In a judgment dated July 10 2012, the Court of Cassation (the highest French court) has ruled that, in the event of a dispute concerning the name of a French *collectivité territoriale* (the catch-all term for French communes, departments and regions) and an identical French domain name owned by a third party, it is necessary to consider the provisions of ordinary French law as set down in the French legal codes (eg, unfair competition pursuant to Article 1382 of the Civil Code), even if there are no statutory provisions specifically dealing with such issues.

In this case, the commune of Marmande in the southwest region of France originally sought an interlocutory injunction against a French company called Dataxy requesting the transfer of the domain name 'marmande.fr', registered on June 7 2004. Dataxy had in fact taken advantage of the liberalisation of the rules applying to French domain names in May 2004. Before this date, it was necessary for registrants to prove a 'right in the name', either by supplying a company registration certificate or a French trademark certificate matching the proposed domain name. However, the rule change allowed anyone with a link to France to register a domain name (it should be noted that the rules were relaxed even further in December 2011 and now the only requirement for registrants of '.fr' domain names is that they must be based in the European Union).

The case eventually came before the Court of Appeal of Agen. In a decision dated June 14 2011, it dismissed Marmande's claims on the basis that, when 'marmande.fr' was registered in 2004, the names of communes (and indeed the names of French *collectivités territoriales* in general) were not protected under any statutory provision in French law. Furthermore, the court noted that Article L711-4 of the French Intellectual Property Code, which provided that the names of *collectivités territoriales* could not be registered as trademarks, did not apply to domain names.

However, the law changed in 2007 when a decree introduced Article R20-44-43 to the Post and Electronic Communications Code, which granted strong protection to the names of *collectivités territoriales* and provided that such names could be registered only as French domain names by the *collectivités territoriales* themselves, a measure obviously implemented to strengthen protection for communes such as Marmande. However, given the principle that new legislation should generally not retrospectively affect acts which were lawful at the time that they were undertaken, the Court of Appeal did not take this into account.

Marmande decided to appeal to the Court of Cassation, which is tasked with assessing whether the law has been correctly applied and does not reconsider issues of fact (cases are then sent back to the Court of Appeal to be judged in accordance with the Court of Cassation's findings). In this particular case, the Court of Cassation found that the Court of Appeal had not made the correct assessment when ruling that Dataxy's registration of 'marmande.fr' could not be attacked merely because the French legislation at the time of registration did not deal with this specific issue.

Instead, it found that the Court of Appeal should have examined whether there was a likelihood of confusion between the name of the commune and the domain name in order to determine whether there was an "obvious unlawful disturbance" ("*trouble manifestement illicite*") sufficient to grant an interlocutory injunction within the meaning of Article 809 of the Civil Procedure Code. In other words, the Court of Appeal should have taken into account the provisions of ordinary French law as set down in the French legal codes, and not simply based its decision on the absence of specific provisions at the time of registration.

In October 2010 the Constitutional Court had ruled that certain provisions of the Post and Electronic Communications Code were unconstitutional and, as a consequence, new legislation was adopted on June 30 2011 (articles L45 ff of the code). In particular, the new current legislation (Article L45-2) now specifically provides that domain names that are identical, or similar, to the names of *collectivités territoriales* cannot be registered, but does provide for an exception if the registrant is able to demonstrate a legitimate interest in the name and has acted in good faith.

The 'marmande.fr' case will now be referred to the Bordeaux Court of Appeal for a decision in accordance with the law as set down by the Court of Cassation. The domain name currently points towards the unofficial website of the commune of Marmande, which reproduces the Court of Cassation's decision along with a commentary underlining that the court has not considered the facts of the case and this will be for the Bordeaux Court of Appeal to do. Clearly Dataxy is still hoping for the case to be dismissed (perhaps rather optimistically) and so it will be interesting to see whether the Bordeaux Court of Appeal eventually decides

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to transfer the domain name as a result of any likelihood of confusion.

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