World Trademark Review Daily

Domain name may constitute prior right - provided that it is actually in use France - Hogan Lovells International LLP

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In a ruling of January 17 2014, the Paris Tribunal of First Instance decided that, while a domain name could constitute a prior right which could be opposed to a future trademark application, this is provided that the domain name in question is being actually used and not merely registered. This confirms prior, although scarce, decisions from French courts.

In this instance, the claimant was a Chinese company called Hong-Kong Shadong Singapore Diamonds Services Ltd, specialised in the online sale of diamonds and other precious stones. The defendant was a French company specialised in the design and development of e-commerce websites.

The claimant had commissioned the defendant to design its e-commerce website under the URL 'www.mazaldiamond.com'. To this end the domain name 'mazaldiamond.com' was registered by the defendant on February 7 2009 with GoDaddy but then transferred to the claimant shortly afterwards.

On July 26 2009 the Defendant filed a trademark application for MAZAL in Classes 14, 35 and 42 of the Nice Classification. In addition, the defendant registered a number of domain names including the word 'Mazal' or 'Masal'.

The website at the URL 'www.mazaldiamond.com' was launched on March 24 2010.

Subsequently, the commercial relationship between the parties soured significantly and came to an end. The claimant filed court proceedings in Paris against the defendant as it considered that the trademark and the domain names registered by the defendant had been registered fraudulently and in violation of its prior right in the domain name. The claimant thus requested, among other things, the cancellation of the trademark and the domain names registered by the defendant.

The claimant based its claim on Articles L711-4 and L714-3 of the French Intellectual Property Code, which respectively provide that "it is not possible to register as a trademark a sign which infringes a prior right, including, *inter alia*: a) a registered trademark (...); b) a company name if there is a likelihood of confusion in the mind of the public; c) a trade name that is known nationwide and if there is a likelihood of confusion in the mind of the public" and that "a trademark registered in violation of Articles L711-1 to L711-4 will be declared null and void by courts".

The Paris Tribunal of First Instance rejected the claimant's requests.

The tribunal considered that, whilst domain names are not specifically listed under Article L711-4 of the Intellectual Property Code, a domain name could be relied upon as part of the prohibition of Article L711-4 of the Intellectual Property Code <u>provided that</u> the domain name is actually used in the form of a website.

Since the website at the URL 'www.mazaldiamond.com' was launched only after the defendant applied for the MAZAL trademark, the claimant was not in a position to rely on the domain name as a prior right to request the cancellation of the MAZAL trademark and of the various MAZAL or MASAL domain names.

Whilst this decision is in line with precedents based on similar facts, it is important to bear in mind that the key questions of whether a domain name is used will be assessed on a case-by-case basis and that the mere fact of pointing a domain name to a website may not be enough, as it may not amount to a genuine use of the domain name, considering that the website could simply consist of a blank page or a page under construction. It is also likely that the domain name would have to be used for the same or similar goods and services covered by the trademark, or that there would at least need to be a likelihood of confusion between the use of the domain name and the trademark.

This decision shows the importance of (i) not delaying the genuine use of a registered domain name and/or (ii) applying for the registration of a trademark as soon as possible as it will constitute a prior right, regardless of use (unlike a domain name). In short, relying on a domain name alone as a prior right in France could be fraught with difficulty and is best avoided if possible.

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