

Ruling n°681 of 04 November 2020 (16-28.281) – Cour de cassation (*Court of cassation*) – Commercial Chamber - ECLI:EN:CCASS:2020:CO00681

Trade mark law: a trade mark owner whose rights have been revoked due to the absence of use can bring an action for infringement for any adverse effects with regard to his rights in the trade mark which occurred before the revocation.

Only the french version is authentic

Industrial property

Quashing

Summary:

By a ruling of 26 March 2020 (Cooper International Spirits & Ors C-622/18), the CJEU ruled that Article 5(1)(b), the first subparagraph of Article 10(1) and the first subparagraph of Article 12(1) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks, read in conjunction with recital 6 thereof, must be interpreted as leaving Member States the option of allowing the proprietor of a trade mark whose rights in that mark have been revoked on expiry of the five-year period from its registration, because he or she failed to make genuine use of the mark in the Member State concerned in connection with the goods or services for which it was registered, to retain the right to claim compensation for the injury sustained as a result of the use by a third party, before the date on which the revocation took effect, of a similar sign in connection with identical or similar goods or services that is liable to be confused with his or her trade mark. It specified in this regard that the extent of the exclusive right conferred by virtue of that provision should be assessed, during the five-year period following registration of the trade mark, by having regard to the goods and services as covered by the mark's registration, and not in relation to the use that the proprietor has been able to make of the mark during that period.

Consequently, in the event of the revocation of a trade mark, pronounced pursuant to Article L. 714-5 of the Intellectual Property Code, as it was drafted prior to Order No 2019-1169 of 13 November 2019, interpreted in the light of Articles 5(1)(b), 10 and 12 of Directive 2008/95/EC of 22 October 2008, which only takes effect upon the expiry of an uninterrupted period of five years without genuine use, the proprietor of a trademark is entitled to rely on any adverse affects with regard to his rights in the trade mark which may have been caused by the acts of infringement which occurred before the revocation.

Appellant: Mr O... B...

Respondents: Cooper International Spirits & Ors

Facts and Procedure

1. According to the ruling under appeal (Paris, 13 September 2016), Mr *B...* was the proprietor of the French semi-figurative trade mark “Saint Germain” No 3 395 502, filed for registration on 5 December 2005, for goods and services, in Classes 30, 32 and 33, corresponding in particular to alcoholic beverages (except beers), ciders, digestives, wines and spirits, alcoholic extracts or essences.

2. On 8 June 2012, having learnt that Cooper International Spirits was distributing an elderberry liqueur under the name “St-Germain” manufactured by St Dalfour and Établissements Gabriel Boudier, a sub-contractor of the latter, Mr B brought proceedings against those three companies for trade mark infringement.

3. Mr B’s rights to the “Saint Germain” trademark for the above-mentioned products having been revoked with effect from 13 May, 2011 by a ruling handed down in parallel proceedings on 11 February 2014 which became irrevocable, Mr *B...* maintained his claim for the period prior to the revocation which was not time-barred, that is to say, from 8 June, 2009 to 13 May, 2011.

4. By ruling of 26 September 2018, the Cour de cassation (*Court of cassation*) applied to the European Court of Justice (CJUE) for a preliminary ruling on the interpretation of Article 5(1)(b), the first subparagraph of Article 10(1) and the first subparagraph of Article 12(1) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks.

Reviewing plea

On the first part of the plea

Statement of plea

5. Mr *B...* takes issue with the cour d’appel (*Court of appeal*) for having dismissed his claims, whereas:

during the five-year period following the registration of a trade mark, the proprietor of the trade mark is entitled to prohibit third parties from using, in the course of trade, a sign identical or similar to his trade mark and liable to have an adverse effect on the functions of the trade mark, without having to demonstrate genuine use of the trade mark in respect of those goods or services;

He claims that the cour d’appel (*Court of Appeal*) infringed Articles L. 713-3 and L.714-5 of the Intellectual Property Code in holding that, having failed to demonstrate that his trade mark had actually been used, Mr *B...* could not successfully argue that the trade mark’s function as a guarantee of origin had been adversely affected, or that the monopoly on use conferred by his mark had been adversely affected, or indeed that its investment function had been adversely affected, when he was entitled to prohibit third parties from using a sign which is identical or similar to his trade mark and is liable to affect the essential function of the mark

in the course of trade, without having to demonstrate the genuine use of the “Saint Germain” trade mark and, accordingly, that it was actually being used.

Court’s response

In view of Articles L. 713-3, b) and L. 714-5 of the Intellectual Property Code, in their wording prior to Order No. 2019-1169 of 13 November 2019, as interpreted in the light of Articles 5(1)(b), 10 and 12 of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks:

6. The first of these texts prohibits, unless authorised by the proprietor, the imitation of a trade mark and the use of an imitated mark, for goods or services identical or similar to those designated in the registration where they may result in a likelihood of confusion on the part of the public.

7. The second of these texts provides that the rights of a trade mark proprietor who, without proper reason, has not made genuine use of those rights in respect of the goods and services referred to in the registration, during an uninterrupted period of five years, shall be revoked and that revocation shall take effect on the date of expiry of this five-year period.

8. In response to the aforementioned preliminary question, the EUCJ, in a decision of 26 March 2020 (*Cooper International Spirits & Ors*, C-622/18), has ruled that “Article 5(1)(b), the first subparagraph of Article 10(1) and the first subparagraph of Article 12(1) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks, read in conjunction with recital 6 thereof, must be interpreted as leaving Member States the option of allowing the proprietor of a trade mark whose rights in that mark have been revoked on expiry of the five-year period from its registration because he or she failed to make genuine use of the mark in the Member State concerned in connection with the goods or services for which it was registered to retain the right to claim compensation for the injury sustained as a result of the use by a third party, before the date on which the revocation took effect, of a similar sign in connection with identical or similar goods or services that is liable to be confused with his or her trade mark”.

9. In this respect, the EUCJ has specified that the extent of the exclusive right conferred by virtue of that provision should be assessed, during the five-year period following registration of the EU trade mark, by having regard to the goods and services as covered by the mark’s registration, and not in relation to the use that the proprietor has been able to make of the mark during that period (aforementioned judgement, Paragraphs 38 and 39).

10. Consequently, given that the revocation of a trade mark, ordered pursuant to Article L. 714-5 of the Intellectual Property Code only takes effect upon the expiry of an uninterrupted period of five years without genuine use, the proprietor of a trademark is entitled to rely on infringements of the exclusive rights conferred by the trade mark which occurred before the revocation.

11. In dismissing the claims brought by Mr B... the ruling holds that he does not justify any use of the trade mark since its registration and infers that, since the trade mark has not been brought into contact with the consumer, its proprietor cannot successfully argue that the trade

mark's function as a guarantee of origin had been adversely affected, or that the monopoly on use conferred by his mark had been adversely affected, or indeed that its investment function had been adversely affected

12. In so ruling, the cour d'appel (*Court of Appeal*) violated the above-mentioned texts.

And on the fourth part of the plea:

Statement of plea

13. Mr B... takes issue with the court of appeal for having dismissed his claims, whereas:

“the court cannot distort the content of the documents submitted to it.

He claims that in holding that “the documents produced by Mr B... to justify the fact that the elderberry liqueur bearing the mark “St-Germain” was indeed marketed were, with one exception, dated after 13 May 2011”, notwithstanding the fact that Mr B... produced a very significant number of documents, namely purchase orders, delivery notes and invoices dated from between May 2009 to May 2011, all bearing the words “St-Germain” and relating to the sale of bottles of alcohol under that name in France, thereby unequivocally demonstrating that SAEGB had manufactured and sold in France the liqueurs produced by it to Cooper International Spirits, and from 2009 to the French company St Dalfour, and that the company St Dalfour had manufactured and sold “St-Germain” products in France to the company Cooper International Spirits in France, the cour d'appel (Court of Appeal) misrepresented the clear and precise contents of the evidence produced by M. B... in disregard of the court's obligation not to distort documents submitted to it.

Court's response

In view of the obligation of the court not to distort the documents submitted to it:

14. In dismissing the claims brought by Mr B..., the ruling furtherhold that the evidence presented by him as proof that the elderberry liqueur bearing the mark “St-Germain” was marketed by the companies sued during the period in question are, with one exception, dated after 13 May 2011, date on which his effective rights in the trade mark “Saint Germain” were revoked, and thereby infers that the reality of the alleged infringement had not been demonstrated.

15. In so ruling, when Mr B... produced several accounting documents, dated from between May 2009 to May 2011, bearing the words “St-Germain” and relating to the sale of bottles of alcohol under that name.

The cour d'appel (*Court of Appeal*) misrepresented those documents and infringed the aforementioned obligation.

Scope and consequences of the quashing

16. Pursuant to Article 624 of the Civil Procedure Code, the quashing pronounced on the merits of the action has a bearing, by way of consequence, on the operative part of the ruling relating to the abusive procedure, which is obviously linked to it by a way of dependence.

ON THESE GROUNDS, and without having to rule on the other pleas, the Court:

QUASHES AND SETS ASIDE , in all its provisions, the ruling handed down on 13 September 2016, between the parties, by the cour d'appel of Paris (*Paris Court of Appeal*),

Restores the matter and the parties to the *status quo ante* that existed prior to this ruling and refers them to the cour d'appel of Paris (*Paris Court of Appeal*), otherwise composed.

Orders Cooper International Spirits, St Dalfour and Etablissements Gabriel Boudier to pay the costs.

President: Ms Mouillard

Reporting judge: Ms Darbois, Judge

Advocate-General: Ms Beaudonnet

Lawyer(s): SCP Ortscheidt - SCP Bernard Hémerly, Carole Thomas-Raquin, Martin Le Guerer