

LAGUIOLE CASE

Proceedings on national and European level

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President of the Boards of Appeal – EUIPO

The national proceedings – *Municipality of Laguiole vs Laguiole*

Since the the 90's, Mr. Gilbert Szajner registered more than 20 French national trade marks, all including the term 'LAGUIOLE'.

BARON LAGUIOLE

LAGUIOLE CUISINIER DE PERE EN FILS

LAGUIOLE INNOVE LA TRADITION



For goods and services in Classes 1, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17,18, 20, 21, 24, 25, 27, 28, 29, 30, 31, 32, 33, 34, 35, 38, 42, 43, 44.

He **granted licenses** to French and foreign companies that could, thus, market under the name Laguiole, a wide range of very low-end imported products, generally manufactured in China.

The national proceedings – *Municipality of Laguiole vs Laguiole*

Laguiole is a French municipality famous for its knives bearing a bee insignia on the handle.



The municipality of Laguiole brought the case before the Tribunal de Grande Instance of Paris, in hopes of obtaining the cancellation of the 'LAGUIOLE' trade marks.



The national proceedings – *Municipality of Laguiole vs Laguiole*

- 2 first decisions in the 90s:
 - TGI Paris, 3e ch, 1 section, 23 April 1997
 - Cancellation of the trade marks LAGUIOLE
 - CA Paris, 4e ch, 3 November 1999
 - Trade marks LAGUIOLE are valid
 - BUT unfair competition

- Between 1997 and 2009 : 20 new registrations of trade marks including the term 'LAGUIOLE'.

- In 2010, the Municipality brought the case to the TGI of Paris (again)
 - TGI Paris, 3e ch, 4e section, 13 September 2012 (case was dismissed)
 - CA Paris, pole 5, ch.2, 4 April 2014 (case was dismissed)
 - Cass com, 4 October 2016 (partially annulled the Court of Appeal ruling)
 - The previous judgement (CA Paris, pole 5, ch.2, 4 April 2014) should have investigated whether the situation was not likely to **mislead the consumer** as to the origin of the products and was not part of a **fraudulent strategy** aimed at depriving Laguiole or its citizens of the use of their name necessary for their activity

The national proceedings – *Municipality of Laguiole vs Laguiole*

- In 2019: ruling in favour of the Municipality of Laguiole after the referral to the Court of Appeal by the Cour de Cassation - CA Paris, 1e ch, 5 March 2019
 - **A fraudulent strategy**
 - Infringe Laguiole's name: the municipality of Laguiole is deprived of the use of its name;
 - Damage Laguiole's reputation: although the products marketed by the respondents under the Laguiole trade marks are not manufactured in Laguiole, part of their commercial arguments is nevertheless based on the history and legends associated with this commune
 - **No substantial alteration of the consumer's behaviour**
 - Notwithstanding the questionable use of the term "our village", the average consumer informed that the products in question are also manufactured in sites abroad will not believe that they originate from the municipality of Laguiole

Consequence of the characterisation of the **fraudulent strategy**:

- 20 national trade marks, registered by Gilbert Szajner between 1997 and 2009, including the term 'LAGUIOLE' are **cancelled** on the basis of **Article L. 711-4 h)** of the French Intellectual Property Code.
- the Municipality of Laguiole received 50 000 € in compensation for the non-pecuniary damage suffered.

The European proceedings– *La Forge Laguiole SARL vs Laguiole (G.Szajner)*

On 17 January 2005, Mr Gilbert Szajner has registered the EUTM LAGUIOLE for goods and services in Classes 3, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 20, 21, 22, 24, 25, 26, 27, 28, 34, 38 and 42.

On 22 July 2005, the company FORGE de LAGUIOLE SARL filed an application for a **declaration of partial invalidity** of the EUTM LAGUIOLE.

The action was based on the company name FORGE DE LAGUIOLE, used in the course of trade in relation to *'manufacture and sale of all items of cutlery, cutting/carving implements, gifts and souvenirs – all items connected with the art of entertaining'*.

The European proceedings– La Forge Laguiole SARL vs Laguiole

Article 8(4) CTMR / EUTMR

Upon opposition by the proprietor of a non-registered trade mark or of another **sign used in the course of trade of more than mere local significance**, the trade mark applied for shall not be registered where and to the extent that, pursuant to the law of the Member State governing that:

- a) rights to that sign were acquired prior to the date of application for registration of the Community trade mark, or the date of the priority claimed for the application for registration of the Community trade mark;
- b) sign confers on its proprietor the right to prohibit the use of a subsequent trade mark.

→ A **company name** serves to mark a legal person as an individual entity, over its entire existence and across all its activities, in the same way as a name marks a natural person as an individual

Cancellation Division – 24/11/2006 – 1290 C

→ Rejection of the application for invalidity of the EUTM

- Another sign used in the course of trade of more than mere local significance
 - Anteriority of the sign ✓
 - Used in the course of trade: has been proved but **limited to knives** ✓
 - More than mere local significance ✓
 - Does the sign confer on its proprietor the right to prohibit the use of a subsequent trade mark ?
 - According to **Articles L 711-4** and **L 714-3** of the French Code of Intellectual Property, a company name can prohibit the use of a subsequent trade mark if there is a **likelihood of confusion** between them.
 - Comparison of the goods and services:
 - Similarity between *knives* and certain contested goods and services
 - Dissimilarity between *knives* and certain contested goods and services
 - Comparison of the signs: more differences than similarities between the signs.
- **No likelihood of confusion:** the sign does not confer on its proprietor the right to prohibit the use of a subsequent trade mark.

BoA 01/06/2011, R181/2007-1 – *La Forge Laguiole SARL vs Laguiole*

On the possible misinterpretation of the European concept of a ‘sign used in the course of trade’

For the BoA, the Cancellation Division wrongly held that the action for cancellation could succeed only in respect of **‘knives’**, these being the only goods for which the appellant has provided proof of the actual genuine use of its company name.

§49 ‘(...) **commercial identifiers**, the function of which is to identify the legal person, undertaking or business in the course of trade, (...) deserve protection in their **basic function of identifying the undertaking** as such, even if they are not used ‘in relation to’ goods or services, that is to say as a trade mark. To make the protection of all ‘other signs used in the course of trade’ contingent on proof of their actual use ‘in relation to goods or services’ would be to deprive Article 8(4) of much of its effect, since it would immediately exclude from protection all signs used in the course of trade ‘for purposes other’ than that of identifying the undertaking’s goods or services (...).’

§43 and §51: the concept of ‘sign used in the course of trade’ within the meaning of Article 8(4) does not necessarily require the provision of proof of ‘genuine’ and ‘actual’ use of the company name **‘in relation to goods and services’** of the appellant/applicant.

BoA 01/06/2011, R181/2007-1 – *La Forge Laguiole SARL vs Laguiole*

On the scope of protection of the earlier company name – a matter of national law.

→ The scope of protection of the company name is defined by reference primarily to **the object declared in the Commercial and Companies Register.**

§98 In accordance with the French case-law (...), the appellant (...) can therefore claim protection for its company name ‘FORGE DE LAGUIOLE’ if there is a likelihood of confusion with the later trade mark LAGUIOLE not only in the ‘cutlery’ sector, the sector in which it launched its activities, but also – in the event of a likelihood of confusion – **in the sectors into which it had extended its activities before the contested trade mark was filed**, even if its activities in those sectors were only on a small scale at that time.

However, it also follows from the case-law (...), as far as the **activities not covered by the objects of the company** in question are concerned, the proprietor of the earlier company name can claim protection only in so far as **it has actually engaged in activities** in that sector. Accordingly, the appellant/applicant’s claims about its intention of entering into the manufacture of luxury and travel goods cannot be taken into account, since it fails to demonstrate that it had activities in that sector before the filing of the contested Community trade mark.

BoA 01/06/2011, R181/2007-1 – *La Forge Laguiole SARL vs Laguiole*

→ LIKELIHOOD OF CONFUSION

Comparison of the sectors of activity:

The objects of the appellant/applicant company, as declared in the Commercial and Companies Register is the '*manufacture and sale of all items of cutlery, cutting/carving implements, gifts and souvenirs – all items connected with the art of entertaining*' (and not only 'knives' as held by the Cancellation Division).

→ **Identical or similar goods** (except services in Class 38)

Comparison of the signs:

- LAGUIOLE is a generic term referring to a certain type of knife,. Is descriptive and not distinctive. It is for that reason that the contested Community trade mark was refused registration for 'knives'.
- LAGUIOLE will be perceived as a distinctive element for all kinds of goods marketed by the two parties, with the exception of 'knives'.
- For French consumers, in FORGE DE LAGUIOLE, the dominant element is the element 'LAGUIOLE'.
- Overall assessment : **degree of aural, visual and conceptual similarity.**

21/10/2014, T-453/11, , *OHIM (La Forge Laguiole) vs Szajner (Laguiole)*

On the scope of protection of the earlier company name – a matter of national law.

The GC held that, according to French case-law:

§46 (...) the protection of the business name is limited to **the business activities actually pursued** by the company in question.

§51 (...) the protection of the business name FORGE DE LAGUIOLE exclusively covers the business activities actually pursued by the intervener as of the date of the application for registration of the trade mark LAGUIOLE, that is 20 November 2001.



Difference with the BoA conclusion. The scope of protection of the company name is **NOT** defined by reference primarily to the object declared in the Commercial and Companies Register but the the business activities actualu pursued by the company.

21/10/2014, T-453/11, *OHIM (La Forge Laguiole) vs Szajner (Laguiole)*

CONSEQUENCES :

- The GC partially annulled EUIPO's decision and confirmed the **cancellation** of the mark LAGUIOLE only for goods in certain sectors, such as ***knives and cutlery***.

- The GC decided to maintain the mark LAGUIOLE for the other goods and services claimed, taking the view that FORGE DE LAGUIOLE **had not actually pursued business activities in those areas.**
 - Did not explicitly mention the criteria in the basis of which the business activities actually pursued had to be determined.

05/04/2017, C-598/14 P, *EUIPO (La Forge Laguiole) vs Szajner (Laguiole)*

→ The Court of Justice **confirmed** the judgement of the GC.

- the company FORGE DE LAGUIOLE may oppose the registration, at EU level, of the trade mark LAGUIOLE on the area of, *inter alia*, ***knives and cutlery***.
- the company FORGE DE LAGUIOLE may not oppose the registration of the trade mark LAGUIOLE **in areas in which it does not actually pursue a business activity.**



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Thank you