

### **At daggers down...The Laguiole's saga.**

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The name of a town, a region or even a country, is often linked to its history and traditions whatever the concerned field: industry, commerce, culture, local culinary specialty. France is particularly rich with local traditions and know-how! Dijon and its mustard, Aix and its Calissons, Evian and its mineral water, Cannes and its cinema, Grasse and its perfume...

The French Communes currently show a growing interest in the protection of their name (and also identifying elements such as device, blazon, etc.) as an IP asset. For some, a real licensing and derived products strategy is developed.

The aim is to avoid, or to be able to defend against, any use of their name by a foreigner and to guarantee the peaceful use to their citizens, that is to keep control on their own name.

A major explanation for this new trend is, the judicial Laguiole saga that animates all the debates and illustrates how the things can go wrong if the strategy has not been well elaborated and managed.

For almost 15 years, the Courts have seen litigations between the French city named Laguiole and an outsider business man who filed (and currently uses) trademarks composed of the name "Laguiole" and registered companies under this name since 1991.

The Laguiole city claims a notoriety dating back to the XIX<sup>th</sup> century on the knives manufacturing, with specific and traditional related products known under the "Laguiole" name.

In 1991, Mr. S., a French citizen with absolutely no links with the Laguiole town created companies named LAGUIOLE and filed trademarks composed or including this name in 37 classes (!) for many diverse products (household linen, jewellery, furniture, vehicles, musical instrument...)

Mr. S. has built from that time a real empire around the name LAGUIOLE organised in licensing systems with many partners no matter the place they come from.

In this context, becoming conscious of the flourishing business in process with its cherish name, the Commune of Laguiole has started the fight with a first judicial action, in 1997, and tried to obtain the withdrawal of the trademarks of concern and the cessation of the use of the name LAGUIOLE by Mr. S. and his partners.

The Court recognized the likelihood of confusion but the decision was dismissed in Appeal. From that time, all judicial attempts from the commune of Laguiole failed (first instance and appeal courts).

Again, the last decision of the French Appeal Court of Paris dated 04/04/2014 has dismissed the Laguiole town's requests and confirmed the position of the first instance's judges.

In the Case, what is striking and deserves firstly to be mentioned, is the obvious relentlessness of the Commune which raised all possible legal grounds.

- ❖ Unfair commercial practices damaging the name, image and reputation of the city, on the basis of the fact that the name “Laguiole” would not be used as a trademark but rather as an indication of origin creating a fake link so that the name is instrumentalized to mislead the public.

The commune failed to evidence the real confusion on the market namely to submit significant examples of misled consumers, in particular because the partiality of the provided survey was questioned by the Defendant and rejected by the Court.

- ❖ Nullity of the defendant's (26) trademarks
  - rejected for 5 trademarks because of a previous judgment on this point by the past
  - rejected for 11 trademarks due to acquiescence
  - rejected also for the remaining 10 trademarks, as follows.
- Nullity for fraud of the applications (intent to attempt to the reputation of the city, to take financial advantage of the notoriety of the name Laguiole)

The Court considered that the town of Laguiole cannot invoke the tarnishing of its reputation since this reputation is due to the manufacture of a certain kind of knives (also manufactured in the neighborhood cities from a very long time) under the common and usual name Laguiole.

Also, the Laguiole city failed to evidence its notoriety and which of its activities requiring the use of the word “Laguiole” would be achieved by the existence of the trademarks in case.

- Nullity for lack of distinctiveness, existence of a prior right as a commune name, deception ... at the time of the applications

The town of Laguiole failed to demonstrate that the average consumer that may have a knowledge of the geographical name “Laguiole” would establish a link with the products concerned especially since the trademarks include the name Laguiole in association with other elements (names or device).

The name is not considered as descriptive or deceptive of the geographic origin nor linked to the city and there cannot be any attempt to the prior right.

- ❖ Revocation of the Defendant's trademarks for deceptiveness by the use done

The judges considered that the deceptiveness basis has been already studied and rejected on the ground of Unfair commercial practices.

- ❖ Revocation of the Defendant's trademarks for non-use

With respect to the French law, the plaintiff has to prove its interest in taking legal action, especially on this ground and considering the legal status of the plaintiff in our case which is a local authority, the court retained that he cannot be considered has an interested person, legally speaking.

Indeed, there has been no evidence that the existence contested trademarks could affect its own activity, as regard to the products or services at stake.

It is to be noted that a Commune has a right and activity only for its public service mission and in no way a commercial one.

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In this case, the commune of Laguiole clearly lacks an IP strategy upstream and elements evidencing that the know-how and tradition belong to the limited boundaries of the city.

**As a result, the city and its citizen are no longer authorized to use this name as a trademark in relation with the protected activities of Mr. Gilbert Szajner.**

In France, the name of a local authority is de facto protected but only for public service activities.

Therefore, cities, regions, etc. that want to control and preserve their geographical name have to think about a real IP strategy before such expensive and long lasting judicial actions begin necessary, with a complete legal brainstorming on

- Elements to be protected, how, and not too late...
- Watching services to set up in order to react if needed in the right timing and avoid dilution of the name and acquiescence
- Use, speech and communication in order to be coherent and avoid the pitfalls encountered by Laguiole.

It is to be noted that more the strategy is defined upstream, more the litigation risk will be low as well as the corresponding expenses. That is particularly important for public authorities that depend on citizens taxes!

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