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Claim for ownership of a fraudulently registered trademark

Registration, as a trademark of the title belonging to a profession regulated by public authorities is contrary to public policy provisions. Such a registration can be cancelled. On the other hand, it may not form the subject of an ownership claim.

This is the principle set out by the Cour de cassation (French Supreme Court) in a decision dated December 16, 2014.

In a decision rendered on December 16, 2014, the Commercial Chamber of the *Cour de Cassation* quashed a judgment of the Paris Court of Appeals and held that ***“As the adoption and use, as a trademark, of the title owned by a profession regulated by public authorities, without being the holder thereof, is contrary to public policy provisions, this trademark cannot be the subject of an ownership claim but merely of a cancellation action”^[1]***.

The facts of the case are as follows: On April 29, 2010, the company Notariat services registered the word trademark “Notaires 37” to designate several products belonging to Class 16 and Class 35, including newspapers, leaflets, brochures and advertisements.

Notariat Service found out that the company NR communication regularly published within the Indre-et-Loire *département* a real estate ad newspaper called “Les Notaires 37”. It decided to sue NR communication for trademark infringement.

The Regional Council of Notaries within the jurisdiction of the Court of Appeals of Orléans (the “Regional Council”) voluntarily joined the proceedings and claimed ownership of the trademark “Notaires 37”, arguing

that it had been fraudulently registered.

In a judgment dated October 5, 202, the Paris Court of Appeals considered that the registration of the trademark “Notaires 37” had been completed in fraud of the rights of the Regional Council.

The Paris Court of Appeals held that the ownership claim brought by the Regional Council was admissible and ordered the transfer of the trademark “Notaires 37” to its benefit.

In its decision dated December 16, 2014, the Commercial Chamber of the *Cour de Cassation* partially quashed this judgment.

The *Cour de Cassation* upheld the part of the Paris Court of Appeals’ judgment that had declared the registration of the trademark “Notaires 37” contrary to public policy provisions.

The *Cour de Cassation* thus ruled that the adoption and use, as a trademark, of the title “Notaires 37” was **contrary to public policy provisions** insofar as this title belongs to a profession that is regulated by public authorities, even though such profession is not the holder thereof.

It recalled the terms of a previous decision dated April 16, 2013^[2] and grounded its decision on:

- Article L. 711-3, b of the French Intellectual Property Code pursuant to which “*may not be adopted as a trademark or element of a trademark a sign which is contrary to public policy provisions or to accepted principles of morality, or the use of which is prohibited by law*”, and
- Article 433-17 of the French Criminal Code pursuant to which “*The unlawful use of a title attached to a profession regulated by public authorities or of an official degree or capacity of which the conditions of attribution are fixed by public authorities is punished by one year’s imprisonment and a fine of €15,000*”.

Pursuant to these two articles, the *Cour de Cassation* ordered the cancellation of the French trademark “Notaires 37” n°10 3 734 369.

Yet, on the other hand, the *Cour de Cassation* quashed the part of the Paris Court of Appeals’ judgment that had granted the ownership claim brought by the Regional Council and ordered the transfer of the trademark “Notaires 37” to its benefit.

The *Cour de Cassation* specified in this respect that “***This trademark cannot be the subject of an ownership claim but merely of a cancellation action***”.

On this particular point, the *Cour de Cassation* made a correct application of Article L.714-3§1 of the French Intellectual Property Code that stipulates “*trademarks registered in violation of the provisions set forth in Articles L.711-1 to L.711-4 will be declared null and void by courts*”.

This provision stipulates that the registration of a trademark that is contrary to public policy provisions, within

the meaning of Article L.711-3 of the French Intellectual Property Code, entails the **cancellation** of that trademark.

An ownership claim on a trademark registered in fraud of the rights of the person who brings such claim must be justified by the existence of a prior legitimate right on the claimed sign, as per Article L.714-3§3 of the French Intellectual Property Code that stipulates as follows:

*“Only the **holder of a prior right** may bring an invalidity action under [Article L. 711-4](#). Yet, such an action is not admissible if the trademark has been registered in good faith and if the holder of the prior right has acquiesced to its use for a period of five years”.*

In the commented case, neither the Regional Council nor any other entity could establish the existence of a legitimate prior right on the sign “Notaires 37” insofar as (i) its registration as a trademark was contrary to public policy provisions, and consequently (ii) it was a cancelable trademark.

The *Cour de Cassation* thus quashed the judgment of the Paris Court of Appeals in this respect and dismissed the ownership claim on the French trademark “Notaires 37” n°10 3 734 369 brought by the Regional Council.

1. Commercial Chamber of the *Cour de Cassation*, December 16, 2014, n°12-29157
2. Commercial Chamber of the *Cour de Cassation*, April 16, 2013, n°12-17633

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